



Daily Report

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General

Envoy Speaks at Security Council Sanctions Debate

OW0708012490 Beijing XINHUA in English
0025 GMT 7 Aug 90

[Text] United Nations, August 6 (XINHUA)—The UN Security Council this afternoon adopted a resolution to impose mandatory sanctions on Iraq for its invasion of Kuwait.

The Security Council decided in the resolution adopted by a vote of 13 in favor, none against, and two abstentions that all countries shall prevent the import of all commodities and products from Iraq or Kuwait and any activities to export any commodities or products, including weapons or any other military equipment, to Iraq and Kuwait, and not make available to Iraq any fund or any other financial or economic resources.

The council called on all states to act strictly in accordance with the provisions of the resolution.

It also decided to set up a committee of the Security Council consisting of all the council members to examine the reports on the progress of the implementation of the resolution and to seek from all states further information on the action taken by them to implement the provisions.

It called on all states to take appropriate measures to protect assets of the legitimate Government of Kuwait and not to recognize any regime set up by the occupying power.

Speaking at the council meeting before voting, Chinese Ambassador Li Daoyu made a statement, saying that state-to-state relations must be based on the five principles of peaceful coexistence, the principles of the UN Charter and the norm governing the international relations must be maintained, and that resorting to force or threat of force by any country to violate the sovereignty and territorial integrity of another country must be opposed.

He said that China believed the independence, sovereignty, and territorial integrity of Kuwait must be respected and the UN Security Council Resolution 660, which was adopted on August 2, must be implemented immediately, effectively and in real earnest.

In keeping with the above-mentioned position and taking into consideration of the pressing demand of many Arab countries, the ambassador said China "will vote in favor" of the draft resolution.

Cuba and Yemen abstained.

Committee on Sanctions Against Iraq Formed

OW0808012890 Beijing XINHUA in English
1936 GMT 7 Aug 90

[Text] United Nations, August 7 (XINHUA)—The U.N. Security Council [UNSC] is working to form a committee to oversee the implementation of its resolution on trade and financial sanctions against Iraq and Iraqi-occupied Kuwait, a U.N. spokeswoman said today.

The spokeswoman, Nadia Younes, told reporters at the U.N. regular noon briefing that president of the Security Council, Romanian Ambassador Aurel Dragos Munteanu, "is holding consultations with the members of the council and those consultations are in view to decide a bureau of the committee."

The committee, requested by the council's Resolution 661 which was adopted yesterday to show the world community's anger at Iraq's armed invasion of Kuwait, will consist of all the 15 members of the Security Council, the spokeswoman said.

Younes said that the formation of the committee bureau, the first step toward the establishment of the committee, will be similar to the council's committee on arms embargo against South Africa.

She said that once the president of the Security Council establishes the bureau, the committee will hold its first meeting to officially elect the bureau members and look into its program and work as provided in Resolution 661.

Under this resolution, the committee is authorized to examine the reports on the progress of the implementation of the resolution and to seek from all states further information regarding the action taken by them concerning the effective implementation of the provisions laid down in the resolution.

According to the spokeswoman, U.N. Secretary-General Javier Perez de Cuellar has sent out a cable to all governments of the U.N. member states, asking them to report to him on all measures they have taken in implementing the trade and financial sanctions against Iraq and Iraqi-occupied Kuwait.

Based on this information, she said, the secretary-general will submit his report on the implementation of Resolution 661 to the Security Council within 30 days.

Soviet, Japanese, South Korean Relations Assessed

HK0708044390 Beijing SHISHI ZHISHI in Chinese
No 14, 16 Jul 90 pp 22-23

[Article by Wang Lan (3769 5695): "Subtle, Mutual Competition Among the Soviet Union, Japan and South Korea"]

[Text] In 1989, the Soviet Union took a diplomatic offensive in Asia by improving its relations with Japan and South Korea. Its major objective was to absorb

capital and technology from Japan and South Korea which it badly needs. More than a year has elapsed, however, there has not been much progress in Japanese-Soviet economic relations. In stark contrast, the Soviet Union and South Korea have not only made remarkable progress in economic relations, but also made breakthroughs in their political relations.

Slow Progress in Soviet-Japanese Relations

The slow progress in Soviet-Japanese economic relations is mainly attributable to the barrier which they have difficulty breaking through, namely the issue of the northern territories. With strong economic backing, and convinced that the Soviet Union will have to ask help of it, Japan demands that the Soviets first return the four northern islands before developing economic links. In view of its most immediate interests, the Soviet Union softened its stand a little at the beginning of the year. Nevertheless, its attitude has recently toughened. On 27 April, Gorbachev delivered a speech saying: "Our country has no surplus territory, and we still uphold the stand of the Helsinki Agreement, namely that we recognize the post-war practical stand which includes mutual non-aggression on border areas." In the meantime, the Soviet Union informed Japanese reporters of its intention to officially develop the four northern islands. This has undoubtedly brought talks to a stalemate.

As far as Japan is concerned, it is in keeping with the great trend of detente in the world situation, to develop its relations with the Soviet Union. Second, Japan also has this need itself. Politically, it hopes to stabilize the Soviet Union, thus being favorable to strengthening itself. Economically, it has always fixed its eye on the vast Soviet market. In pressing the Soviet Union for concessions on the northern islands, Japan also considers its strategy.

Japan has always maintained that the Soviet military strength poses a potential threat to itself. In recent years, Japan has continually disseminated the "Soviet threat" argument, holding that the disarmament talks between the United States and the Soviet Union over the past year have not touched upon their troops in Asia. Although the Soviet Union unilaterally reduced its troops in the east, they have been upgraded, not weakened, due to the introduction of the modernization program. Therefore, one of Japan's objectives in restoring the four northern islands is to weaken the Soviet military strength in the Far East. Only under this premise can Japan develop its economic relations with the Soviet Union.

South Korea Acts First

Since No Tae-u became president of South Korea, he has vigorously pursued "northern diplomacy." In July 1988, he made a declaration saying that he was willing to establish relations with the Soviet Union, China, and other socialist countries, so that South Korea will ultimately be able to improve its relations with northern

Korea. During this time, the Soviet Union also expressed its hope of strengthening relations with countries and regions in the Pacific, including South Korea. Gorbachev himself also clearly mentioned the probability of establishing economic relations with South Korea. Since the 1988 Olympic Games in Seoul, their relations have developed quickly. In April 1989, they set up reciprocal trade offices in Seoul and Moscow. Although they are of a non-governmental nature, they have in fact, opened up the window for dialogue between the two governments. In December, both countries established consular relations.

Since the second half of 1989, South Korea has been exploring the probability of establishing diplomatic relations with the Soviet Union, and has been working hard in this direction. The Soviet Union however, still has some hesitancy in this respect, and has to take into consideration its relations with other countries. Therefore, it is in no hurry to establish official governmental relations, while vigorously strengthening the economic exchanges between the two sides.

This March, No Tae-u sent Kim Young-sam to the Soviet Union to carry out negotiations on the issue of establishing diplomatic relations. During Kim Young-sam's visit, Gorbachev held secret talks with him. After the meeting, Kim Young-sam said that the two countries would soon establish official diplomatic relations. Moreover, the Soviet Union also said: "No hindrances exist." However, it stressed that there will have to be a process from "quantitative to qualitative change." This June, No Tae-u met with Gorbachev in San Francisco. After that, South Koreans said that the two presidents agreed unanimously, that official diplomatic relations would be developed "in the near future," and that they agreed on expanding economic, scientific, technological, and cultural exchange and cooperation.

At present, the two countries' relations are developing well. Their economic activities are very brisk and trade volume has increased considerably. Their bilateral trade volume last year more than doubled, reaching \$600,000 million, and that of this year is expected to exceed \$1 billion. Since the second half of last year, areas of cooperation have included investment, technical cooperation, contracting for engineering projects, cooperation in the exploitation of resources, and others. According to the latest reports from South Korean newspapers, the Soviet Union requested a \$5 billion low-interest loan from South Korea, but it is considering offering a \$4 billion loan instead. The Soviet Union also hopes to further expand economic cooperation, and welcomes South Korean enterprises to invest. It also hopes that South Korea will compete with Japan in developing Siberia and the Far East region.

Outwardly, Japan supports South Korea in its vigorously developing economic relations with the Soviet Union. However, it objects to this inwardly, because this will weaken Japan's appeal to the Soviet Union and will also enable the Soviet Union to put pressure on, by using the

contradictions between Japan and South Korea. As early as last November, in response to Japan's statement that "no talks on economic cooperation will be held unless the territorial question has been resolved," Yakovlev, Secretary of the Soviet Central Committee, made a remark on his visit to Japan: "Is it not equally good to attract West Germany, the United States, and South Korea to develop Siberia and the Far East region?" It seems that the Soviet Union is roping in South Korea to cope with Japan, by using the contradictions arising from the development of its relations with South Korea.

South Korea's economy is mainly export-oriented. However, currency devaluation, labor-capital disputes, and the great increase in wages, have affected the competitiveness of its export products, thus dealing a hard blow to its export trade. Signs of economic recession have appeared in South Korea. If it uses Soviet resources and occupies the Soviet market, it will be able to find a partial substitute for the American market with which it is gradually intensifying economic friction. This will be favorable to South Korea. Although South Korea is Japan's political ally in northeast Asia, they have culminated enmity through history. The South Koreans have an intense hatred for the Japanese nationality. Moreover, South Korea is unwilling to sacrifice its own economic interests to maintain accord with Japan. Therefore, as long as the Soviet Union and Japan are unable to resolve the problem over the four northern islands, South Korea will not have to worry about Japan, and will act first in developing its relations with the Soviet Union.

Southeast Asia & Pacific

Reportage Continues on Li Peng Visit to Indonesia

Zheng Tuobin, Indonesian Ministers Meet

OW0708130490 Beijing XINHUA in English
1113 GMT 7 Aug 90

[Text] Jakarta, August 7 (XINHUA)—Talks on furthering Sino-Indonesian economic, trade and technical cooperation were held in Jakarta this morning.

Zheng Tuobin, visiting Chinese minister of foreign economic relations and trade, led the Chinese side at the talks.

Participating in the talks on the Indonesian side were Radius Prawiro, coordinating minister for economy, finance, industry and development supervision; Arifin Siregar, minister of trade; and Hartarto, minister of industry.

In the talks, both sides believed that there exist great potentials for enhancing the Sino-Indonesian cooperative relations in economic, trade and technical fields.

Li Peng Tours Miniature Park

OW0808000990 Beijing XINHUA in English
1439 GMT 7 Aug 90

[Text] Jakarta, August 7 (XINHUA)—Chinese Premier Li Peng and his wife visited Taman Mini Indonesia Indah (Beautiful Indonesia in Miniature Park) this afternoon.

In their sightseeing, Li Peng and his wife Zhu Lin were accompanied by Indonesian Foreign Minister Ali Alatas.

Taman Mini Indonesia Indah, a park of around 160 hectares, is a tourist showpiece of the country. The park is divided into 27 sections representing 27 provinces of the country. The park contains typical houses and cultural displays from each of the 27 provinces.

Upon their arrival at the park, Li Peng and his wife were warmly greeted by Coordinating Minister for People's Welfare Supardjo Rustam and Governor of Jakarta Wiyogo Atmodarminto. The Chinese guests passed through "the gateway to Indonesia" formed by 27 beautiful young girls representing various nationalities of the country from Sabang to Marauke.

Afterwards, Li Peng and his party toured the park aboard a shuttle bus. The Chinese guests also watched an artistic documentary "Indonesia Indah" in the Keong Mas Theater, which was shaped like a giant golden snail.

Li Peng planted a bayan tree in the park.

At the end of his sightseeing, Li Peng wrote in a visitors' book, "the nation of thousands of islands in miniature park is a crystalization of wisdom of the Indonesian people and the pride of their country."

Li Peng, Suharto Discuss Joint Ties

HK0808025890 Beijing RENMIN RIBAO OVERSEAS
EDITION 8 Aug 90 p 1

[Text] Indonesian President Suharto and visiting Chinese premier agreed here today [7 August] that their two countries will improve and develop friendly and cooperative relations in a forward-looking attitude.

The agreement was reached during the formal talks between the two leaders this morning. The talks were held in a sincere and friendly atmosphere.

Suharto described Premier Li Peng's visit to Indonesia as one "of historic significance." There have been no contacts between leaders of the two countries in the past 25 years, while great changes have taken place in the world, he said. "Our two countries should try to improve our relations in a forward-looking attitude and not to leave a burden to our future generations," Suharto added.

Premier Li said, "Let bygones be bygones. We should look forward. It is our wish to strengthen our friendship and cooperation with Indonesia on the basis of the Five

Principles of Peaceful Coexistence and the ten principles of the Bandung Conference."

He pointed out that the economies of the two countries are, to a great extent, complementary and there exist bright prospects for economic and trade cooperation.

During their talks, Suharto briefed Li Peng on the history of Indonesia's struggle against foreign colonialism and its current domestic and international policies. He stressed that to develop its economy and create a just and prosperous society, Indonesia needs to have long-term domestic stability.

Referring to situation in the region, he said that the objectives of ASEAN countries are freedom, peace, and neutrality. The ASEAN countries need cooperation and mutual help among themselves, but there should be no interference in each other's internal affairs.

On the Cambodian issue, Suharto said that Cambodia should become an independent, sovereign and peaceful country. Foreign troops must withdraw from Cambodia, and the Cambodian people and leaders of various factions should have the right to determine the future of their own country. Indonesia and other ASEAN (the Association of Southeast Asian Nations) countries are willing to help them in finding a just, reasonable and comprehensive solution to the Cambodian issue, he said.

The Indonesian president pointed out that it is not realistic to exclude any faction of the four in the process of seeking a solution to the Cambodian issue and a peaceful solution could not be found if that was the case.

After listening to the briefing by President Suharto, Premier Li Peng said that both China and Indonesia had shared the same historical experiences of being occupied by foreign colonialists.

Premier Li said that both China and Indonesia are facing the common task to develop their own economy. Therefore, China and Indonesia need to have a peaceful international environment and a stable domestic situation, Li added.

Li Peng briefed Suharto on China's policy readjustments in the past 10 years, as well as its independent foreign policy of peace and domestic policy of reform and opening to the outside world during the same period.

On the international situation, the Chinese premier noted that the old world pattern has been broken up but the new one has yet to be formed and instability is emerging in some regions.

Referring to the Cambodian issue, Li said China has consistently hoped that Cambodia will become a neutral, peaceful and independent country and maintain friendly relations with its neighbors.

China supports Cambodia in its fight against foreign aggression with no intention to seek sphere of influence,

Li said. China disagrees with the idea of leaving any faction out or wielding power by any single faction, he added.

Li expressed his hope that the four factions in Cambodia could set up a supreme national council through consultations. He said China supports consultations among the five permanent members of U.N. Security Council on the Cambodian issue and, at the same time, supports efforts made by countries in the region for a political solution to the Cambodian issue.

"The resumption of diplomatic relations between China and Indonesia has created more favorable conditions for cooperation on the matter," he said.

Premier Li Peng, on behalf of Chinese President Yang Shangkun and in his own name, invited President Suharto to visit China at his convenience. President Suharto accepted the invitation with pleasure.

"The exchange of visits by leaders of the two countries is most necessary for the strengthening of mutual understanding and the promotion of bilateral relations," Suharto said.

Li Peng Speaks at Suharto Banquet

OW0708195990 Beijing XINHUA in English
1848 GMT 7 Aug 90

[Text] Jakarta, August 7 (XINHUA)—China firmly believes that the resumption and development of relations between China and Indonesia are not only in conformity with the aspirations and interests of our two countries and peoples, but also conducive to peace, stability and development in our region, stressed Chinese Premier Li Peng at welcoming banquet given by President Suharto here this evening.

The Chinese premier said: "On the eve of the formal resumption of diplomatic relations between the People's Republic of China and the Republic of Indonesia, it gives me great pleasure to make this official goodwill visit to your country at the invitation of His Excellency President Suharto."

"As soon as we arrived in your beautiful capital Jakarta, we were accorded a warm welcome and generous hospitality by the Indonesian Government and people," Li Peng said.

"This morning, I had talks with President Suharto on our bilateral relations as well as international issues of common interest in a sincere and friendly atmosphere and we came to a common understanding on a wide range of issues. I have also had friendly talks with His Excellency Vice President Sudharmono. Now Mr. President and Mrs. Suharto are hosting this sumptuous banquet in our honour and President Suharto has just made warm and friendly remarks. All this has touched us deeply. Please allow me to express my sincere thanks to President Suharto and Mrs. Suharto, and to the government and people of Indonesia," he added.

Premier Li Peng said: "Indonesia is a big country in Asia and its people are intelligent and hard-working. Under the leadership of President Suharto, your people have chosen a road of development suited to your own national conditions, and are vigorously exploiting rich indigenous resources and actively introducing foreign advanced technology so as to accelerate the process of the country's industrialization. With the economy keeping a good momentum of growth, Indonesia has become one of the countries full of economic vitality in the Asian region. In international affairs, the Indonesian Government follows the ten principles of the Bandung Conference and develops friendly relations with other countries in the world. Together with other ASEAN countries, Indonesia has made unremitting efforts for a comprehensive, fair and reasonable political settlement of the Cambodian question, thus winning wide acclaim and respect in the international community. The Chinese people heartily rejoice at the tremendous achievements made by the Indonesian people."

Li Peng went on to said: "China and Indonesia are close neighbours. Since ancient times our two peoples have had the tradition of friendly exchanges and cemented a profound friendship. Indonesia was one of the countries that first established diplomatic relations with the People's Republic of China. There was once a period of good cooperative relations between the two countries. Together we contributed to the maintenance of peace and stability in the Asian region. Having traversed a tortuous course in the bilateral relations, our two countries, with our joint efforts, have gradually restored our economic and trade contacts and personnel exchanges in recent years. We highly appreciate President Suharto's wise decision on resuming Indonesia's diplomatic relations with China. President Suharto's meeting with Chinese Foreign Minister Qian Qichen in Tokyo in February last year started the process of normization of the relations between the two countries. Not long ago, Foreign Minister Ali Alatas paid a successful visit to China, during which the two sides signed the communique on the resumption of diplomatic relations and decided to formally resume our diplomatic relations as of 8 August this year. This historical date marks an end to the past and the beginning of a new era of development in our bilateral relations."

"At present, the international situation is undergoing dramatic and profound changes, making a complicated impact on the world. While the relaxation of tension, the de-escalation of military confrontation and the removing of certain regional hot spots have provided new opportunities for striving for world peace, factors causing instability in the world are on the increase, and some regions are still plagued by tension and turbulence. As the economic gap between the developed and the developing countries is further widening, the developing countries are confronted with even greater challenges. Therefore, it is indeed necessary for them to strengthen unity and work for the establishment of a new international political order and a new international economic order," Li Peng said.

He said: "Persisting in the policy of reform and opening to the outside world, the Chinese Government is working hard to attain economic development and improve the people's livelihood. China must maintain domestic stability and unity, and it also needs a long-term, stable and peaceful international environment. Despite the vicissitudes in the international arena, China will steadfastly pursue an independent foreign policy of peace and it sincerely hopes to maintain and develop friendly relations and cooperation with all other countries in the world. We highly appreciate the increasingly important role played by ASEAN in international affairs as a regional group working for peace. The Chinese Government has always attached great importance to the development of friendly relations and cooperation with the ASEAN countries. Although China differs with the ASEAN countries in social system, this difference should not become an obstacle to the establishment and growth of friendly relations and cooperation between the two sides. International practice has proved that state-to-state relations are not determined by similarities and divergences in social system and ideology. So long as the Five Principles of Peaceful Coexistence and the ten principles of the Bandung Conference are strictly followed, countries with different social systems and ideologies can surely coexist in amity and conduct mutually beneficial cooperation. China will, on the basis of the said principles, develop friendly relations and cooperation with the ASEAN countries. And it will, as always, support the ASEAN countries in their efforts for maintaining regional peace and strengthening regional economic cooperation, support their proposition for turning Southeast Asia into a zone of peace, freedom and neutrality. China stands ready to expand exchanges and cooperation with the ASEAN countries in the economic, trade, scientific-technological, cultural and other fields on the basis of equality and mutual benefit. It sincerely hopes to establish a partner relationship characterized by mutual trust with the ASEAN countries."

Concluding his speech, Premier Li Peng said: "On the eve of the 45th anniversary of Indonesia's independence, a glorious festival for the Indonesian people, I wish to extend, on behalf of the Chinese Government and people, our warmest congratulations to the government and people of Indonesia. May the people of Indonesia, under the leadership of President Suharto, continuously score new achievements in their economic and social development."

Suharto Addresses Banquet

OW0808000490 Beijing XINHUA in English
1851 GMT 7 Aug 90

[Text] Jakarta, August 7 (XINHUA)—Indonesian President Suharto describe here this evening Chinese Premier Li Peng's visit to Indonesia as "a new historical milestone in the relationship between our two nations and countries."

"This visit marks the resumption of the diplomatic relations between the two countries after being frozen for almost 25 years," he said.

Speaking at a state banquet in honor of the visiting Chinese premier, Suharto recalled his talks with Li Peng this morning, saying "We had an exchange of views on various bilateral, regional, as well as international issues. I am very pleased that our talks were held in an open, frank, and candid atmosphere."

"We had concentrated most of our attention on our bilateral relations. We paid more attention to our future relationship rather than looking back at the past."

Suharto noted: "The history of the relationship between our two countries has indeed gone through its ups and downs. Important changes have taken place in our respective countries during this last quarter of a century. The world has undergone similar changes. It would be unjust and unrealistic if we, who are living in the present, as well as the coming generation, should constantly bear the burden inherited from past history."

"We have agreed to draw the most valuable lesson from the history of the relationship between our two countries. We have agreed to use such valuable experience for the enhancement of a new chapter in the relations between our two nations and countries in the future."

"We are jointly determined to resume the relationship between our two nations and countries based on the 10 principles of Bandung, which both our countries have adopted with great responsibility 35 years ago." "We even have added them with the principles of peaceful coexistence which, among other things, stated that relations amongst nations must be founded on the mutual respect of each other's sovereignty and the noninterference in the domestic affairs of others. Therefore, it becomes our common hope that with the resumption of the diplomatic relations between our two countries, we will see the reestablishment of the interrupted bonds of friendship and the restoration of positive cooperation based on the above-mentioned principles."

"Consequently, we have agreed to embark together on a new phase of relationship between our two nations and ties, animated by a new spirit, new steps, and new goals."

While reviewing the process of the discussions for the restoration of the diplomatic ties, Suharto noted that with sincerity and openness, through direct dialogues and with positive goals, "There are no differences that cannot be resolved. There are no old wounds that cannot be healed."

"I sincerely hope that the resumption of diplomatic relations between our two countries will not only be beneficial to our countries, but will also serve as our contribution to the creation of stability and peace in our region in particular and in the world in general. The establishment of mutual respect, mutual trust, and positive cooperation between two countries in Asia, the

world's most populous and fifth largest, certainly is significant to global developments."

In his speech, Suharto briefed the Chinese guests about the great achievements the Indonesian people have made in the past 25 years. "Our experience shows the importance of cooperating with other nations in the implementation of our development, while adhering firmly to our own fundamental basis, goals, and plans," he said, adding "The experience of direct trade relations between our two countries show that there are many potentials that can be developed more extensively in order to become complementary and to reinforce the development of both our countries."

"The current modernization of the People's Republic of China requires a peaceful and stable environment. Indonesia, which is also carrying out development, needs similar environment."

Suharto said: "It is precisely in this context that the pillar of Indonesia's foreign policy is ASEAN. Also in this respect Indonesia participates in finding a solution to the Cambodia problem. The goal is not merely to put an end to the prolonged sufferings of the Cambodian people; but also to create a more peaceful and stable region that allows all Southeast Asian countries to carry out development for the prosperity of their respective peoples. The comprehensive solution to the Cambodian issue must be firmly based on the respect towards the rights of the Cambodian people to determine freely their own future, to form their own government."

Further on Banquet for Li Peng

OW0808063990 Beijing XINHUA in English
0530 GMT 8 Aug 90

[Text] Jakarta August 7 (XINHUA)—Indonesian President Suharto and his wife gave a sumptuous state banquet in honor of Chinese Premier Li Peng and his wife at Istana Negara (state palace) here this evening.

The state banquet was preveiled with festive atmosphere since it was held on the eve of the formal resumption of Sino-Indonesian diplomatic ties.

Foreign Minister Qian Qichen and Minister of Foreign Economic Relations and Trade Zheng Tuobin were invited to the banquet.

Indonesian Vice President Sudharmono and his wife, Khariy Suhud, speaker of the House of Representatives and concurrently chairman of the People's Consultative Assembly, as well as all ministers, senior officers of armed forces and police, political leaders and public figures were among some 200 participants.

Suharto and Li Peng chatted frequently and friendly. The hosts and guests proposed repeated toasts.

Addressing to the guests, President Suharto said Premier Li Peng's visit "marks the resumption of the diplomatic relations between the two countries after being frozen for almost 25 years."

Suharto said this afternoon he and Li Peng "had concentrated most of our attention on our bilateral relations" during their talks. "We paid more attention to our future relationship rather than looking back at the past," he added.

The president said: "We are jointly determined to resume the relationship between our two nations and countries based on ten principles of Bandung Conference, which both our countries have adopted with great responsibility 35 years ago." The military band played the national anthem of China when the president had hardly finished speaking. All participants proposed toasts for the historic development of the relations between the two countries.

Premier Li Peng pointed out in his speech that China and Indonesia will formally resume their diplomatic ties tomorrow. "This historical date marks an end to the past and the beginning of a new era of development in our bilateral relations."

Li Peng said: "We firmly believe that the resumption and development of relations between China and Indonesia are not only in conformity with the aspirations and interests of our two countries and peoples, but also conducive to peace, stability and development in our region."

Li Peng stressed the importance of the Five Principles of Peaceful Coexistence and the ten principles of the Bandung conference. So long as the said principles are strictly followed, countries with different social systems and ideologies can surely coexist in amity and conduct mutually beneficial cooperation, he added. When Li Peng had finished his speech, the military band played the national anthem of Indonesia. The hosts and guests proposed repeated toasts.

Artistic performances began soon after the banquet was over. Indonesian artists performed five folk dances and played traditional musical instruments. Their excellent performances were warmly received. A woman singer sang a Chinese song which aroused a warm applause.

At the end of the performance, Li Peng and his wife, in the company of President Suharto and his wife, went onto the stage to thank the artists for their excellent performances and presented them with bouquets.

Sino-Indonesian Diplomatic Ties Resumed

HK0808042090 Beijing XINHUA in English 0410 GMT
8 Aug 1990

["Sino-Indonesian Diplomatic Ties Formally Resumed"—XINHUA headline]

[Text] Jakarta, August 8 (XINHUA)—Sino-Indonesian diplomatic relations formally resumed here today.

A document to this effect was signed here at 10:05 a.m. by Chinese and Indonesian foreign ministers.

President Suharto and visiting Chinese Premier Li Peng attended the signing ceremony.

Further on Resumption of Diplomatic Ties

OW0808071590 Beijing XINHUA in English
0644 GMT 8 Aug 90

[Text] Jakarta, August 8 (XINHUA)—The diplomatic relations between the People's Republic of China and the Republic of Indonesia was resumed officially at 10:05 a.m. here this morning.

Indonesian President Suharto and visiting Chinese Premier Li Peng witnessed the signing of the memorandum of understanding between the two governments on the resumption of diplomatic relations at the Istana Merdeka (the Independence Palace).

Chinese Foreign Minister Qian Qichen and Indonesian Foreign Minister Ali Alatas signed the document.

Sino-Indonesian diplomatic ties were established in 1950 and suspended in 1967. China and Indonesia are big nations in Asia. The resumption of diplomatic relations between the two countries, as President Suharto said yesterday, "will not only be beneficial to our countries but will also serve as our contribution to the creation of stability and peace in our region in particular and in the world in general."

The memorandum says that the normalization of relations between the two countries is based on the ten principles of the Bandung Conference and the Five Principles of Peaceful Co-existence.

"The government of the People's Republic of China appreciates the position of the government of the Republic of Indonesia in consistently adhering to the one-China policy and its recognition of the government of the People's Republic of China as the sole legal government of China with Taiwan as an integral part of China. The two governments have reached the understanding that Indonesia maintains only economic and trade relations of non-governmental nature with Taiwan," the memorandum says.

It says that both governments reiterate their position of non-recognition of dual nationality for their nationals.

The two governments, the document says, enjoin their respective nationals, who retain their respective nationality and reside in either one country as aliens, to abide by the laws of the country of residence, respect local values and customs and live in harmony with the people of the country of residence.

"Both governments declare that they will, in accordance with the relevant laws and regulations of their respective

countries and in accordance with international practice, protect and respect the legitimate rights and interests of the nationals of each side who reside as aliens in their respective countries," the memorandum says.

Following the signing of the memorandum, the two foreign ministers also signed a trade agreement between the two governments.

In the agreement, the two governments express their willingness to expand and strengthen trade relations between the two countries "on the basis of the principles of equality, fair trade and mutual benefit for the purpose of enhancing their respective economic development."

The agreement says that the two governments, within the limit of laws and regulations in force in their respective countries, "shall grant each other most-favored-nation treatment" with respect to customs duties and other taxes and duties applicable to trade exchange between the two countries.

After the signing of the memorandum and the agreement, all participants from the Chinese and Indonesian sides applauded warmly. President Suharto shook hands with Premier Li Peng enthusiastically to celebrate the historic moment of the history of the Sino-Indonesian relations.

More than 100 newsmen from China, Indonesia and other countries and regions covered the historic event.

Text of Sino-Indonesian Memorandum

*OW0808061690 Beijing XINHUA Domestic Service
in Chinese 0834 GMT 8 Aug 90*

[Text] Jakarta, August 8 (XINHUA)—The government of the PRC and the government of the Republic of Indonesia signed a memorandum of understanding on the resumption of diplomatic relations here this morning.

The full text of the memorandum reads as follows:

Memorandum of Understanding Between the Government of

the People's Republic of China and the Government of the Republic of Indonesia on the resumption of

diplomatic relations

The government of the People's Republic of China and the government of the Republic of Indonesia, pursuant to the agreement reached in Tokyo on 23 February 1989 and the communique signed in Beijing on July 3, 1990 on the normalization of relations between the two countries on the basis of the 10 principles of the Bandung Conference and the Five Principles of Peaceful Coexistence, have decided to resume their diplomatic relations effective as of today, August 8, 1990, and have reached the following understandings concerning relevant questions relating to their bilateral relations.

The government of the People's Republic of China appreciates the position of the government of the Republic of Indonesia in consistently adhering to the one-China policy and its recognition of the government of the People's Republic of China as the sole legal government of China with Taiwan as an integral part of China. The two governments have reached the understanding that Indonesia maintains only economic and trade relations of nongovernmental nature with Taiwan.

Both governments reiterate their position of nonrecognition of dual nationality for their nationals. Those people of Chinese origin residing in Indonesia who have been naturalized as Indonesian nationals or have acquired Indonesian nationality do not any more possess the Chinese nationality. Similarly, those people of Indonesian origin residing in China, who have been naturalized as Chinese nationals or have acquired Chinese nationality, also do not any more possess Indonesian nationality.

The two governments enjoin their respective nationals, who retain their respective nationality and reside in either one country as aliens, to abide by the laws of the country of residence, respect local values and customs, and live in harmony with the people of the country of residence. Both governments declare that they will, in accordance with the relevant laws and regulations of their respective countries and in accordance with international practice, protect and respect the legitimate rights and interests of the nationals of each side who reside as aliens in their respective countries.

[Signed] Qian Qichen, foreign minister of the PRC

Ali Alatas, foreign minister of the republic of Indonesia.

Text of Sino-Indonesian Trade Accord

*OW0808064890 Beijing XINHUA Domestic Service
in Chinese 0834 GMT 8 Aug 90*

[Text] Jakarta, August 8 (XINHUA)—A new trade agreement between the governments of China and Indonesia was signed here this morning.

The agreement, the first between the two governments since they resumed diplomatic ties today, was signed by Chinese Foreign Minister Qian Qichen and Indonesian Foreign Minister Ali Alatas.

The full text of the trade agreement reads:

Trade Agreement Between the Government of the People's Republic of China and the Government of the Republic of Indonesia

The government of the People's Republic of China and the government of the Republic of Indonesia, hereinafter referred to as the contracting parties:

desirous of expanding and strengthening trade relations between the two countries on the basis of the principles of equality, fair trade, and mutual benefit for the purpose of enhancing their respective economic development;

have agreed as follows: Article I

The contracting parties shall promote the expansion of trade relations between the two countries within the framework of this agreement and in accordance with their respective laws and regulations.

Article II

The contracting parties, within the limit of laws and regulations in force in their respective countries shall grant each other most-favored-nation treatment with respect to customs duties and other taxes and duties applicable to trade exchange between the two countries.

Article III

The provisions of Article II shall not apply to:

(a). Preferences and advantages which either of the contracting parties has granted or may grant to neighboring countries in order to facilitate their frontier trade; and

(b). Exclusive preferential treatment which results from any customs unions or free trade areas or regional economic grouping to which either of the contracting parties is or may become a member.

Article IV

The contracting parties shall, subject to their respective import, export, foreign exchange, commodity inspection, and other laws and regulations, provide the maximum facilities possible for the purpose of harmonious expansion of bilateral trade between the two countries.

Article V

All trade payments between the two countries shall be made in freely convertible currencies, subject to foreign exchange laws and regulations effective in their respective countries.

Article VI

Each contracting party shall facilitate the participation by the other contracting party or its nationals in trade fairs or exhibitions to be held in its territory, subject to such terms and conditions as may be imposed by the competent authorities of the country where the trade fairs or exhibitions are to be held.

Exemption from customs duties and other similar charges on articles and samples intended for fairs and exhibitions, as well as their entry, leaving, sale, and disposition shall be subject to the laws and regulations of the country where the fairs or exhibitions are held.

Article VII

Goods of all kinds of no commercial value used only as samples for obtaining orders and not intended for sale originating from the territory of either of the contracting parties shall be exempted from customs duties on entry into the territory of the other contracting party.

Article VIII

The representatives of the contracting parties, upon request by either of them, shall in the spirit of cooperation and mutual understanding discuss measures aimed at broader trade relations between the two countries and solution of problems arising from the implementation of this agreement. The place and date of such discussions shall be established by mutual agreement.

A joint committee could be established if deemed necessary by mutual consent.

Article IX

The provisions of this agreement shall not in any way limit the right of either contracting party to apply prohibition or restriction of any kind which is directed to the protection of its essential security interest, or to the protection of public health or the prevention of diseases and pests in animals or plants.

Article X

The provisions of this agreement shall continue to be applied after it has expired, to all commercial transactions concluded but not fully performed before the termination of this agreement.

At the request of either contracting parties, the present agreement may be revised by mutual consent.

Li Peng Holds News Conference in Jakarta

OW0808120890 Beijing Domestic Service
in Mandarin 0930 GMT 8 Aug 90

[Report by station reporter Tian Shanchuan from Jakarta]

[Text] Dear listeners, Premier Li Peng gave a press conference for Chinese and foreign reporters in Jakarta this morning. Fielding reporters' questions, he explained the Chinese Government's position on Cambodia, the Middle East, and other issues.

In response to the question about China's current stand on the Cambodian issue, Li Peng said:

[Begin Li Peng recording] During my talks with President Suharto and during the talks between Chinese Foreign Minister Qian Qichen and his Indonesian counterpart Alatas, the two sides had an extensive and in-depth exchange of views on the Cambodian question and reached a broad consensus [guang fan di yi zhi]. The two sides have agreed that a complete, fair, reasonable political solution to the Cambodian question should be reached as early as possible. This is in line with not only the interests of the Cambodian people but also with the interests of the people in Asia and the aspirations of the overwhelming majority of countries of the international community, including Indonesia. China appreciates the important role played by Indonesia in solving the Cambodian question. A statement issued by the recent

meeting of the foreign ministers of the five members of the Association of Southeast Asian Nations [ASEAN] has supported Indonesia's efforts. China supports the latest efforts by Indonesia and the ASEAN for a political settlement of the Cambodian question. Recently Indonesia proposed that the co-chairmen of the Paris international conference invite the four parties of Cambodia to hold a meeting of consultations in Jakarta on the establishment of a supreme commission for a political settlement of the Cambodian question. China endorses Indonesia's proposal and hopes the meeting will be a success. [end recording]

Li Peng expressed China's willingness to consult and step up cooperation with Indonesia on the Cambodian question.

Premier Li Peng also made known China's stand on the current situation in the Middle East. He pointed out:

[Begin Li Peng recording] The situation in the Middle East is developing rapidly. China supports the United Nations Resolutions 660 and 661, which China has voted for. Iraq should withdraw from Kuwait unconditionally. China hopes the Middle East situation will be properly solved especially under the assistance of the Arab League and the Gulf Committee. Of course, the United Nations should play its due role in solving this problem. (?I would like to talk about) military involvement by big powers in the Middle East because the situation there is already very complicated. Military intervention by big powers may further complicate the problem. But Saudi Arabia is a sovereign state. If it feels the need (of big power military intervention), then we have no objection. China supports the measures of the Security Council, because China is a permanent member of the UN Security Council and has voted for Resolutions 660 and 661. China will abide by the measures stipulated in the resolutions. Under such circumstances, China will not sell arms to Iraq. However, I want to explain one point, that is, China is not the main supplier of weapons to Iraq. China supplies only a small amount of the weapons. However, even so [ji shi shi zhe yang] China will abide by the UN resolutions [words indistinct]. [end recording]

In response to a reporter's question about China's Eighth 5-Year Plan, Li Peng said:

China will implement a new Eighth 5-Year Development Plan next year. In formulating the Eighth 5-Year Plan, we will consider [the development of] a decade until the end of this century. The general strategic objective is to double the economic [strength] within the next decade by maintaining a six percent [annual] growth rate. Agriculture is a focal point of construction because China is a country where 800 million of its 1.1 billion population are peasants. Besides, we will also vigorously develop an infrastructure such as transportation, energy, and communications. Another focus is to carry out technical

transformation of the existing enterprises [words indistinct], raise their economic efficiency, and readjust their structure. [end recording]

Further on News Conference

*BK0808103590 Beijing International Service
in Indonesian 0830 GMT 8 Aug 90*

[Station correspondents (Xie Yinghua) and (Liu Kwangji) report on PRC Prime Minister Li Peng's news conference after signing the Memorandum of Understanding on normalization of Sino-Indonesian diplomatic relations in Jakarta 8 August]

[Text] Prime Minister Li Peng held a news conference at Jakarta's Wisma Negara [State Guest House] at 1100 West Indonesian time [0400 GMT] today. To begin his news conference, Prime Minister Li Peng said his official good-will visit to Indonesia is at the invitation of President Suharto. Today is the day that diplomatic relations between the two countries is normalized and that the two governments signed two documents just now. This shows that the Sino-Indonesian ties have entered a new chapter.

Prime Minister Li Peng expressed his gratitude to President Suharto, the Indonesian Government, and people for showing a sincere sense of friendship to the PRC.

Replying to newsmen on the Sino-Indonesian ties and situation in the PRC, Prime Minister Li Peng said the two countries once enjoyed cordial relations, but then complications arose. In the process of normalizing diplomatic ties, the two sides agreed to let bygones be bygones and look forward to the future instead. The PRC and Indonesia are two big developing countries, which can cooperate in various fields for the sake of prosperity, peace, and stability in Asia. The PRC is a peace-loving country which pursues a peaceful and independent foreign policy. The PRC has made great progress in the economic field in the last 40 years, but it still has to make strenuous efforts to raise the standard of living of its people. Therefore, the PRC needs a stable domestic situation and a peaceful international situation.

Replying to a question on the Cambodian problem, Prime Minister Li Peng said both the PRC and Indonesia believe that an early political solution to the Cambodian problem in a comprehensive, just, and rational manner not only suits the fundamental interests of the Cambodian people, but will also maintain peace and stability in the region. The Indonesian side expressed its support for the holding of consultative talks by five permanent members of the UN Security Council on the Cambodian problem and a document on the military and civil administration during the transition period in that country. The PRC side believes in the important role of countries in this region in the process of seeking a political solution to the Cambodian problem. The PRC highly appreciates the joint statement issued by the ASEAN foreign ministers in their recent meeting and supports efforts exerted by Indonesia

and other ASEAN countries to solve the Cambodian problem. The Indonesian side proposed that the co-chairmen of the Paris conference invite representatives of the four Cambodian factions to sit down and hold talks in Jakarta in the near future on the establishment of the Cambodian Supreme National Council. The PRC agreed to the Indonesia's proposal and expressed hope that the talks would be successful. The two sides believe that it is necessary for all parties to encourage the four Cambodian factions to reach an agreement on the establishment of the Supreme National Council, to be headed by Prince Sihanouk so as to occupy Cambodia's legitimate seat at the United Nations. Before such a council is established, the Cambodian seat at the United Nations must be upheld. The two sides also agreed to enhance cooperation and consultations in the process to seek a political solution to the Cambodian problem.

Prime Minister Li Peng noted that the PRC supported not only the Khmer Rouge, but also the factions of Sihanouk and Son Sann. The PRC support is aimed at opposing the Vietnamese aggression. Experience shows that in the last 11 years, no faction has been able to solve the problem by military means. The PRC also opposes the monopoly of power by the Khmer Rouge. The PRC is ready to play its role to solve the Cambodian problem through political means and help establish the Supreme National Council, but the PRC cannot give orders to nor speak for any faction. The Cambodian problem must be solved by the four factions themselves. Prime Minister Li Peng said the nature of the Cambodian problem might have been different if Vietnam had withdrawn its troops from Cambodia under UN supervision.

Replying to another question, Prime Minister Li Peng said the PRC will never launch an armed invasion against any other country. The PRC also opposes armed invasion by any other country in an international dispute.

Speaking on ethnic Chinese in Indonesia, Prime Minister Li Peng said the majority of them had adopted Indonesian nationality. They must be loyal to their country, namely Indonesia, and abide by the existing Indonesian laws. The PRC will not make use of Indonesian nationals of Chinese descent for its own interests. Prime Minister Li Peng said the PRC opposes the dual-nationality system. The PRC will respect the decision taken by Indonesian nationals of Chinese descent. Those who have opted for the PRC nationality and live in Indonesia must respect the existing Indonesian laws. They must live in peace and harmony with the Indonesian people.

On relations between Indonesia and Taiwan, Prime Minister Li Peng said after the normalization of Sino-Indonesian diplomatic ties, Indonesia will continue to maintain economic relations with Taiwan on a nongovernmental basis and the PRC will not interfere in it.

Stresses Settlement of Cambodia Issue

OW0808134990 Beijing XINHUA in English
1334 GMT 8 Aug 90

[Text] Jakarta, August 8 (XINHUA)—Chinese Premier Li Peng today stressed a political settlement of the Cambodian issue, saying experience in the past 11 years has proved that the fightings in the battle fields could not solve the Cambodian problem.

Li Peng made the remarks at a press conference here attended by some one hundred journalists from China, Indonesia and other countries.

Li Peng said, "China is willing to make its due efforts for seeking a solution to the Cambodian problem and for the setting up of a supreme national council." However, China cannot order anybody to do things. No settlement can be found without the agreement of the four Cambodian factions, he added.

Li Peng said that he, President Suharto, Chinese Foreign Minister Qian Qichen and Indonesian Foreign Minister Ali Alatas had discussions on the Cambodian problem and reached an extensive common understanding.

Li Peng said, "China and Indonesia agreed to enhance their cooperation and frequent their contacts in the process of solving the Cambodian problem. Both sides believed that to reach a comprehensive, just and reasonable political solution to the Cambodian issue is not only in conformity with the fundamental interests, but also conducive to peace, stability and development in the region."

The premier said the Indonesian side supports the documents concerning the military and administration arrangements in Cambodia during the transitional period, which were prepared by the five permanent members of the U.N. Security Council through consultations.

Li Peng said, "Both sides agreed that in the process of seeking a political settlement of the Cambodian problem, it is of vital importance to bring the role of countries in the region into full play." "China appreciates the statement issued by the recent ASEAN ministerial meeting and the efforts made by Indonesia and other ASEAN members for many years to solve the Cambodian problem politically," he said.

Indonesia, in the capacity of a co-chairman of the Paris international conference on the Cambodian problem, proposed that the four Cambodian factions meet in Jakarta for consultations on the formation of a supreme national council and the political settlement of the Cambodian problem. In favor of the initiatives, China hopes the proposed meeting could be held and wishes it a success.

Li Peng said both sides agreed that all parties concerned should make all efforts to urge the four Cambodia parties to establish as early as possible a supreme national

council headed by Samdech Norodom Sihanouk to replace the legal seat of the Cambodian National Government (CNG) in the U.N. However, before the setting up of a supreme national council, CNG seat [as received] should be preserved, he added.

Cited on Saudi Call for U.S. Troops

HK0808080690 Hong Kong AFP in English 0758 GMT 8 Aug 90

[Text] Jakarta, Aug 8 (AFP)—Chinese Prime Minister Li Peng said Wednesday that Beijing disapproved of foreign military intervention in the Middle East but respected Riyadh's sovereign right to call for U.S. military aid.

"In general terms, China is opposed to the military intervention by big powers in the Middle East... Saudi Arabia is a sovereign state and if it wants to invite U.S. Armed Forces to help maintain security... then we respect the decision of Saudi Arabia," Mr. Li told a press conference here.

Mr. Li, commenting on reports of U.S. troop deployment in Saudi Arabia Tuesday reportedly to counter threats of an Iraqi invasion, was speaking shortly after witnessing the signing of an agreement to re-establish diplomatic relations with Indonesia.

Riyadh last month severed diplomatic ties with Taiwan in favor of Beijing.

China, as one of the permanent members of the U.N. Security Council, would also fulfil its part in mandatory sanctions imposed Monday by the council against Iraq following its invasion and occupation of Kuwait, Mr. Li said.

"China will stop to sell arms to Iraq," he said, stressing that Beijing was not the main supplier of weapons and ammunition to Baghdad.

Denies Halt in Aid to Khmer Rouge

OW0808083190 Tokyo KYODO in English 0818 GMT 8 Aug 90

[Text] Jakarta, Aug. 8 KYODO—Chinese Premier Li Peng on Wednesday clearly denied reports that China has promised Indonesian President Suharto to halt its military aid to the Khmer Rouge faction of the tripartite Cambodian resistance coalition government.

Li said in a press conference here that China could consider stopping military aid to the Khmer Rouge if the United Nations verification on the withdrawal of all Vietnamese troops from Cambodia is completed and other countries concerned in the Cambodian war stop military assistance.

Li, the first Chinese premier to visit Indonesia since Zhou Enlai came here in 1965, said the ongoing 12-year war has proven that no parties have been capable of resolving the problem.

China is ready to make due efforts for seeking a political settlement, Li said.

Indonesia urged China to convince the three resistance factions, who have been at war with the Vietnamese-backed Heng Samrin government in Phnom Penh, to follow the path of political settlement.

China is the main arms supplier to the militarily strongest Khmer Rouge faction.

Li Peng Addresses Meeting of Indonesian Officials

Dual Nationality Issue Discussed

OW0808101990 Beijing XINHUA in English 1003 GMT 8 Aug 90

[Text] Jakarta, August 8 (XINHUA)—Visiting Chinese Premier Li Peng stated here this afternoon that China has "never endorsed dual nationality".

At a meeting with Indonesian personalities of various circles, Li Peng said: "The Chinese Government's policy towards people of Chinese origin residing in Indonesia or other countries is clear-cut: We have never endorsed dual nationality. We regard all those who have been naturalized as nationals or acquired the nationality of the country of their residence as nationals of that country. They are no longer Chinese nationals. They should fulfil their obligations to their adopted country just like all the other citizens of that country." As for those Overseas Chinese who retain Chinese nationality, the premier went on, "We have all along requested and educated them to observe the laws and decrees of the country of their residence, respect the local customs and live in friendship and harmony with the local people of other ethnic groups and contribute their share to the nation-building of the country of their residence. We believe that their just and lawful rights and interests will be protected by the government of the country of their residence."

Li Peng reaffirmed: "This policy of the Chinese Government will not be changed."

The Chinese premier said that owing to historical and geographical reasons, there are many people of Chinese origin now living in Indonesia and other Southeast Asian countries. For a long time, he added, they have been living in amity with the people of the countries of their residence. They made due contributions to the independence and economic development of the said countries. Now, the great majority of them have been naturalized as nationals of the countries of residence.

Li Peng said: "We are pleased to see that the dual nationality issue, an issue left over from history, has been solved satisfactorily by the Chinese and Indonesian sides through friendly consultations and joint efforts. The Overseas Chinese in Indonesia will no doubt live in amity with the Indonesian people and make further

contributions to the growth of friendship between the Chinese and Indonesian peoples."

Cited on Sino-Indonesian Relations

OW0808104490 Beijing XINHUA in English
1028 GMT 8 Aug 90

[Text] Jakarta, August 8 (XINHUA)—Visiting Chinese Premier Li Peng noted here this afternoon that the normalization of Sino-Indonesian relations will open up "broad vistas for an all-round cooperation" between the two countries.

Speaking at a meeting with Indonesian personalities of various circles, Li Peng said, "It is true that there was a period of twists and turns in our bilateral relations, but it is after all only a short episode in the long history of our friendly intercourse."

On the restoration of the Sino-Indonesian diplomatic relations, which commences today, the premier said, "While putting an end to the past and looking into the future, we are gratified to see our friendly relations and cooperation restored as a result of the joint efforts by the two governments and peoples. I am convinced that the normalization of our bilateral relations will not only open up broad vistas for an all-round cooperation between us in the political, economic, trade, scientific, technological, educational and cultural fields, but also exert a positive impact on peace and common progress in Asia."

Li Peng expressed his admiration to President Suharto for his farsightedness on the question of the restoration of Sino-Indonesian friendly relations and his wise decision on the resumption of diplomatic relations between the two countries. He also extended his hearty thanks to all the Indonesian friends who contributed to the normalization of the bilateral relations between China and Indonesia.

Stresses Noninterference in Internal Affairs

OW0808110590 Beijing XINHUA in English
1053 GMT 8 Aug 90

[Text] Jakarta, August 8 (XINHUA)—Visiting Chinese Premier Li Peng stressed here this afternoon the importance of non-interference in each other's internal affairs in governing state-to-state relations.

In his meeting with Indonesian personalities of various circles, Li Peng said that the ten principles of the Bandung Conference, like the Five Principles of Peaceful Coexistence, "crystallize the basic norms governing state-to-state relations, most important of which is the principles of non-interference in each other's internal affairs."

While recalling the Bandung Conference held 35 years ago by Asian and African countries, Li Peng said, "Indonesia is the cradle of the Bandung spirit. 35 years ago in Bandung of Indonesia, a group of leaders of newly rising Asian and African countries got together and formulated

the famous ten principles of Bandung Conference through friendly consultations. Like the Five Principles of Peaceful Coexistence, the ten principles reflect the common aspirations of the overwhelming majority of the countries in the world for the establishment of a new-type of international relations. For several decades, they have played an important role in the international relations and displayed tremendous vitality."

Compared with the situation 35 years ago, Li Peng went on, "today's world has changed tremendously. Nevertheless, the ten principles of the Bandung Conference have not become out of date. On the contrary, their soundness and importance have been brought home to us all the more strongly."

"Today," he said, "in spite of the trend towards relaxation on the international scene and abating military confrontation, the world in which we live is far from tranquil, with tension and turbulence appearing in some regions. A new international political order is far from being established. This all the more calls for the upholding of the Bandung spirit and adherence to the ten principles of the Bandung Conference." The Chinese premier noted that one of the essential features of hegemonism and power politics "is precisely interference in other countries' internal affairs. They tend to meddle in other countries' internal affairs under various pretexts in an attempt to impose their own will and values on others. This has caused the recent tension and turbulence."

As one of the initiators of the Five Principles of Peaceful Coexistence and a participating country at the Bandung Conference, Li Peng said, "China has always upheld the Five Principles of Peaceful Coexistence and the ten principles of the Bandung Conference. And it has all along stood for non-interference in each other's internal affairs."

"It is our consistent view that all countries in the world, irrespective of their size, strength, wealth and social system, should respect each other, treat each other as equals, seek common ground while reserving differences and carry out friendly cooperation in the interest of common prosperity," Li Peng said, adding "China treasures its independence and sovereignty and it also respects other countries' independence and sovereignty, and that China opposes foreign interference in its internal affairs and will never interfere in other countries' internal affairs."

China, he declared, "is ready to maintain and develop friendly relations and cooperation with all countries in the world on the basis of the five principles of peaceful coexistence and the ten principles of Bandung Conference."

He pointed out that for many years, the Indonesian Government has made unremitting efforts for safeguarding and upholding the Bandung spirit and thus won wide acclaim from the international community. "China is ready to work together with Indonesia and other

countries to further develop the Bandung spirit and establish a new international political and economic order," Li Peng stated.

Stresses Importance of Planned Economy

*OW0808111390 Beijing XINHUA in English
1057 GMT 8 Aug 90*

[Text] Jakarta, August 8 (XINHUA)—Chinese Premier Li Peng said here this afternoon that it is imperative for the Chinese people to resolutely implement the policy of seeking a sustained, steady and coordinated development of their national economy.

Addressing a group of Indonesian personalities of various circles, Li Peng, who is here on an official good-will visit to the country, said "since the beginning of the 1980s, the Chinese Government and people have focused their efforts on economic development and modernization program, and have scored tremendous achievements in this regard."

"We have attained, two years ahead of schedule, the goal of doubling the gross national product (GNP) in the 1980s and, by and large, solved the problem of providing the population with adequate food and clothes," he said.

Li Peng said "we were once faced with overheated economic growth in the course of our development. As a result of two years' efforts to improve the economic environment and rectify the economic order and deepen the reform, inflation has been brought under control, prices have remained basically stable and the entire economy is developing in a favorable direction. The strategic goal for our economic development is to double the present GNP by the end of the century and ensure a better life for our people."

He noted "China will have to make tremendous efforts to attain this strategic goal for development with a relative shortage of natural resources and construction funds in a country of 1.1 billion people. China will firmly continue with its economic and political structural reforms to consolidate and improve its socialist system, further expand its productive forces, develop its national economy with all its efforts and gradually improve people's material and cultural life."

In the meantime, Li Peng said "the experience of the past four decades since the founding of New China tells us that we will not be able to achieve development unless we proceed from the actual conditions of our country and refrain from impatience for quick results."

Comments on Economic Development

*OW0808111990 Beijing XINHUA in English
1100 GMT 8 Aug 90*

[Text] Jakarta, August 8 (XINHUA)—Visiting Chinese Premier Li Peng said here this afternoon that China needs a peaceful international environment for its economic development.

Speaking at a meeting with Indonesian personalities of various circles, he also said that China needs to develop economic and technological cooperation and trade with other countries in the world.

"We have decided on the basic state policy of opening to the outside world, adopted a series of practical steps and achieved positive results," Li Peng stated.

In the 1980s, the premier said, China's import-export trade volume quadrupled; a good start was made in introducing foreign funds with more than 20,000 directly foreign-invested projects; a vast coastal open zone including five special economic zones took shape, giving an impetus to steady growth of foreign trade and economic activities.

"The Chinese Government has on many occasions reiterated that whatever happens in the world, China will not shut the door it has already opened. China is ready to develop economic, scientific and technological cooperation with all other countries on the basis of equality and mutual benefit," Li Peng said.

Appraises Potential of Economic Ties

*OW0808112590 Beijing XINHUA in English
1102 GMT 8 Aug 90*

[Text] Jakarta, August 8 (XINHUA)—Visiting Chinese Premier Li Peng said here this afternoon that there is a huge potential for the development of Sino-Indonesian bilateral economic ties.

In his meeting with Indonesian personalities of various circles, Li Peng said that China and Indonesia are now both faced with the important task of developing their own economy.

"We both are richly endowed with natural resources and have a large population. We not only have the benefit of being close geographically and thus able to offer each other broad markets, but also enjoy traditional trade ties. Our two countries can supply each other with a great variety of products. We are therefore complementary to each other," Li said.

"We have just signed a new trade agreement between us. We hope that Indonesian friends from all walks of life will visit China. I am sure that, with the joint efforts, the friendly relations and cooperation between our two countries in various fields will register a still greater development," Li Peng said.

Views Importance of ASEAN Relations

*OW0808113190 Beijing XINHUA in English
1113 GMT 8 Aug 90*

[Text] Jakarta, August 8 (XINHUA)—"The Chinese Government has always attached importance to developing friendly relations and cooperation with ASEAN countries," said Chinese Premier Li Peng at a meeting with Indonesian personalities of various circles here this afternoon.

The Chinese premier, who is now paying an official goodwill visit to Indonesia, described the ASEAN (the Association of Southeast Asian Nations) countries as "China's close neighbors."

"The frequent exchanges of visits between the leaders of China and ASEAN countries in recent years have resulted in increased mutual understanding and trust and expanded friendly cooperation in economic, trade, scientific and technological and other fields," Li Peng said.

"China has signed trade and civil aviation agreements with Thailand, the Philippines and Malaysia separately. China enjoys sound economic, scientific and technological cooperative ties with Singapore. And its contacts with Brunei have also increased," the Chinese premier said, adding that "since they resumed direct trade in 1985, China and Indonesia have enjoyed a yearly increase of their bilateral trade, which exceeded 800 million U.S. dollars last year."

Premier Li said, "the trade volume between China on the one hand and the ASEAN countries on the other amounted to 7 billion U.S. dollars or so in 1989. ASEAN has already become China's important partner in its regional trade and economic cooperation."

Jakarta Reports Li Peng's Visit to Indonesia

WA0808121990

For Indonesian coverage of the visit to Indonesia by Prime Minister Li Peng, including talks between Li Peng and President Suharto and between Foreign Minister Qian Qichen and Foreign Minister Ali Alatas, see the Indonesia section of the 6 August and subsequent issues of the East Asia DAILY REPORT.

Near East & South Asia

Yang Meets With Saudi Arabian Ambassador

HK0808061190 Beijing RENMIN RIBAO OVERSEAS EDITION in Chinese 8 Aug 90 p 1

[Report by reporter Gu Yuqing (7357 3768 3237): "When Meeting Saudi Arabia's First Ambassador to China, Yang Shangkun Says Establishment of Sino-Saudi Arabian Diplomatic Relations Marks the Beginning of a New Period in Two Countries' Relations"]

[Text] Beidaihe, 7 Aug (RENMIN RIBAO)—This afternoon, PRC President Yang Shangkun accepted the credentials presented by Saudi Arabia's first ambassador to China Tawfiq al-Alamdar in Beidaihe, and had a cordial and friendly talk with the Saudi Arabian ambassador.

When presenting the credentials, Ambassador Tawfiq said that he was very glad and felt greatly honored to present the credentials to President Yang as the first Saudi ambassador after the establishment of diplomatic relations between Saudi Arabia and China.

President Yang extended warm congratulations to Ambassador Tawfiq for the establishment of diplomatic relations between the two countries. He said: The establishment of diplomatic relations between China and Saudi Arabia is an important event of historic significance and marks the beginning of a new period in the two countries' relations. The establishment of Sino-Saudi Arabian diplomatic relations once again proves the correctness of our constant position of adhering to the five principles for peaceful coexistence in the handling of state-to-state relations. We not only hope to develop our relations with Saudi Arabia on this basis, but we also hope to develop friendly relations with all Gulf countries, Arab countries, and all countries in the world and to consolidate world peace. President Yang praised the achievements of the Saudi Arabian Government led by King Fahd in developing the national economy, improving the people's livelihood, pursuing the foreign policy of supporting the Palestinian people's liberation cause and building peaceful, friendly, and good-neighborly relations with other countries. When talking about Iraq's invasion of Kuwait, President Yang pointed out: In international affairs, no one should be allowed to resort to force and invade other countries. China voted for the Resolution No. 660 of the UN Security Council and the resolution on imposing sanctions against Iraq to express our opposition to Iraq's invasion of Kuwait. We called for Iraq's immediate withdrawal from Kuwait and for the restoration of Kuwait's sovereignty and territorial integrity. We hope that Iraq will respond to international opinion, settle the disputes through talks, and restore peace in that region as soon as possible.

Ambassador Tawfiq expressed appreciation for China's position on Iraq's invasion of Kuwait, and he stressed that Saudi Arabia would adopt a prudent, calm, and well-considered attitude toward this event and hoped that things would calm down quickly.

Iraqi Situation Viewed

OW0708161090 Beijing XINHUA in English 1540 GMT 7 Aug 90

[Text] Beijing, August 7 (XINHUA)—Chinese President Yang Shangkun today urged Iraq to respond to opinions of the international community and settle disputes through negotiations, so as to restore peace to the Gulf region.

Yang made the remarks here today in a conversation with Saudi Arabia's first ambassador to China Tawfiq al-Alamdar, after accepting the latter's credentials.

Touching on Iraq's invasion of Kuwait, Yang said the situation of resorting to arms and invading other countries should not be allowed in international affairs.

China has voted to support the U.N. Security Council Resolution 660 and the resolution on sanctions against Iraq, Yang said. This shows "we oppose Iraq's invasion

and call on it to pull troops out of Kuwait promptly, thus restoring the sovereignty and territorial integrity of the country," he added.

China hopes that Iraq will respond to international opinions and settle the disputes through negotiations, so as to bring peace back to the region at the earliest possible date, he said.

Tawfiq expressed approval for China's position on the issue. He stressed that Saudi Arabia adopts a calm and thoughtful attitude towards the event and hopes that the problem will be over soon.

Remarks on Ties

OW0708163090 Beijing XINHUA in English
1551 GMT 7 Aug 90

[Text] Beidaihe, August 7 (XINHUA)—Chinese President Yang Shangkun described the establishment of diplomatic relations between China and Saudi Arabia as an event of historic significance which "marks a new period in the two countries' relations."

Yang made the remarks when he accepted credentials presented by Saudi Arabia's first ambassador to China Tawfiq al-Alamdar here today.

Tawfiq was commercial representative of Saudi Arabia in Beijing prior to the establishment of diplomatic relations between the two countries.

Yang said that China wants, on the basis of the five principles of peaceful coexistence, to advance Sino-Saudi ties and to expand relations with countries in the Gulf region, the Arab world and the whole world at large with the aim of reinforcing peace.

He also praised the Saudi Government led by King Fahd for developing national economy, improving the people's livelihood, supporting the Palestinian people's cause for liberation and following a foreign policy of peace, friendship and good neighborliness.

Yang reaffirmed China's invitation for King Fahd to visit China.

Tawfiq told Yang that he looked in very good health. Yang replied that he has fully recovered from an appendectomy in late June.

Yang, who has been in Beidaihe for three weeks, spends one hour swimming in the sea every day.

Editorial Supports Sanctions Against Iraq

HK0808045490 Hong Kong TA KUNG PAO in Chinese
8 Aug 90 p 2

[Editorial: "China Supports Sanctions Against Iraq"]

[Text] The UN Security Council adopted by 13 to zero the day before yesterday a resolution on imposition of economic sanctions and arms embargo against Iraq

(Cuba and Yemen abstained from voting). Li Daoyu, Chinese ambassador to the UN, addressed the Security Council before voting for the resolution. He said: China has always maintained that relations between different countries should be based on the five principles of peaceful coexistence and has always opposed the use of force by any country to invade others' territory and sovereignty. He also emphasized: "Kuwait's independence, sovereignty, and territorial integrity must be respected; and the resolution adopted by the Security Council on 2 August demanding an unconditional withdrawal of the Iraqi troops from Kuwait must be earnestly and effectively implemented without delay." His statement has clearly expressed the Chinese Government's attitude toward this new crisis in the Middle East.

China is one of the five permanent members of the Security Council and also a Third World country of important standing. China is maintaining good and friendly relations with almost all the Arab countries. It is based on the stand for safeguarding the UN Charter and world peace and on the principle that acts of aggression must be sternly condemned that the Chinese representative to the UN Security Council voted for the economic sanctions against Iraq.

In only less than a week since the Iraqi invasion of Kuwait on 2 August, Iraq has found itself completely isolated in the world, being sternly condemned by all nations. Up to the present, however, Iraq still has no intention to withdraw all its troops from Kuwait without preconditions but continues to refuse to restore the status quo ante in Kuwait as it was before the invasion. Just on the contrary, Iraq is trying to turn the status quo into a fait accompli step by step. It has brazenly established a puppet regime and released a name list of the "cabinet" of the "Kuwaiti interim free government." While announcing that the so-called first "withdrawal" was started on 5 August, Iraq has formed a "Kuwaiti People's Army" propped up by Iraqi soldiers. These measures are of course unacceptable to the international community.

Another development that merits attention is that Iraq has already taken the several hundred British, American, and FRG nationals in Kuwait to Baghdad. Mideast observers believe that Iraq, in doing so, wants to keep these Europeans and Americans as "hostages" in case the United States raids Iraq and as its bargaining counters in any future political deals as well.

One more thing annoying people is that Iraq is continuing to deploy 180,000 troops and a large quantity of tanks and artillery along the Saudi Arabian border. Although Iraqi President Saddam has declared that the Iraqi troops will not invade Saudi Arabia, the credibility of his promise is much in doubt as viewed from the political trick he has played in putting a show of sham withdrawal while fabricating a puppet regime. Now that the Iraqi troops are deployed along the border, who can assure that Iraq would not launch another shock attack to intrude into Saudi Arabia?

The situation in the Middle East indicates that the two superpowers are losing their control and influence over the world. Since the Iraqi invasion, the United States has sent more than 30 warships including three aircraft carriers to the Middle East and dispatched an additional 2,000 Marines to the Gulf; and U.S. Secretary of Defense Cheney and the U.S. Army head rushed to Riyadh to persuade Saudi Arabia to allow the United States to deploy its troops in the country. In fact, nobody can assure that this military deployment could deter the Iraqi troops from marching southward, especially when it is dealing with an adventurist like Saddam. For this reason, the United States will have to remain extremely sober and never act recklessly.

Now that the Security Council has adopted the resolution on economic sanctions and arms embargo, Iraq will be beset with difficulties very soon if all nations resolutely implement the resolution in unison. It is expected that such measures would restore Iraq to reason. But one must also be aware that anyone who imposes economic sanctions will have to pay a price himself. As Japan, the United States, and Western Europe are heavily reliant on the Middle East for the supply of crude oil, they will have to import crude oil at a high price after the imposition of sanctions against Iraq, which will have serious impacts on their own economy. Therefore, once such measures as embargo, sanctions, and blockade, which may be rather effective for a period, are prolonged, they will naturally cause the adoption of one anti-embargo and anti-blockade policy or another. The West had laid an embargo on the Soviet Union over a long period and many countries have imposed economic sanctions against South Africa after the war, but both have not been quite effective.

The loss of reason on the part of Iraq is closely linked to the economic depression resulting from the eight-year Iran-Iraq war and the ambition of the military strongman Saddam. The Security Council's resolution and the world media's condemnation will push the Iraqi ruling stratum to make a reflection. In addition, with the Arab countries' mediative efforts, one can expect a peaceful settlement of the issue. Now that all the parties involved are at daggers drawn and the situation is critical, the parties concerned particularly need to remain calm and do their utmost to seek a peaceful settlement of the Mid-East crisis. Should this settlement be reached, it would be a gratifying thing to the people in the Middle East and to world peace.

Development of Sino-Saudi Trade Discussed

HK0708123190 Beijing RENMIN RIBAO in Chinese
31 Jul 90 p 6

["Special Interview" by staff reporters Gu Yuqing (7357 3768 3237) and Zhang Guocheng (1728 0948 2052): "Sino-Saudi Economic and Trade Cooperation Enters A New Stage of Development—Interview with Zheng Hongye, Chairman of the China Council for the Promotion of International Trade"]

[Text] "The political stability and economic development in our country has brought about a gratifying picture in our country's diplomatic field. Saudi Arabia has recently established diplomatic relations with our country and Indonesia will do the same in the near future, which are the cases in point." This is a remark made by Zheng Hongye, chairman of the China Council for the Promotion of International Trade [CCPIT], when he was talking to the press about the prospective advantages for bilateral economic and trade cooperation after China and Saudi Arabia establish their diplomatic relations.

Zheng Hongye started his career in the economic and trade field in 1953 and has extensive contacts and exchanges with the economic, trade, and political figures in many countries. He said that the establishment of diplomatic relations between China and Saudi Arabia, which was recently declared, is a result of long-term contacts and gradual understanding. He recalled that the trade exchange between China and Saudi Arabia started in the 1950's, but the volume was small and no direct trade was involved. In November of 1986, former governor of the Saudi Arabian Monetary Agency Gushley led an entrepreneur delegation to China. This was the first people-to-people trade contact between the two sides. In November 1987, former CCPIT Chairman Jia Shi led an entrepreneur delegation to Saudi Arabia at the invitation of Gushley. In that year, the Sino-Saudi trade volume reached \$355 million. On 11 November 1988, China and Saudi Arabia signed a memorandum of understanding on the establishment of commercial representative offices in each other's territories by both governments. Before that, the Chinese-Arabian Chamber of Commerce had been set up in April 1988. These moves greatly sped up the development of economic and trade cooperation between the two countries, thus boosting the trade volume to \$425 million.

In order to further open up the nongovernmental channels for economic and trade exchanges, the CCPIT for the first time held a China export commodities exhibition in Riyadh, capital of Saudi Arabia, on 5 December 1989. It not only provided the Saudi Arabian people with a first-hand knowledge of China's commodities in a variety of categories ranging from light industry, textiles, heavy industry, machinery, automobiles, to electronics, but also displayed, from one aspect, China's achievements in its economic construction. At that time, CCPIT Chairman Zheng Hongye led an economic and trade delegation to Saudi Arabia and opened the exhibition at a grand ceremony. The royalty, government, and economic and trade figures of Saudi Arabia attached great importance to this activity. Minister of Commerce Sulayman Sulayyim cut the ribbon for the exhibition. Chairman of Saudi Business and Industrial Council Sahede Muljara broke off his journey abroad, took a special trip back to Riyadh to receive the delegation from China, and held a talk with the delegation on how to further bilateral trade relations. During the exhibition, the commodities from China won high appraisals

from various circles in Saudi Arabia. The constant increase in the number of such nongovernmental activities has helped promote the development of bilateral relations.

Then Zheng Hongye started talking about the significance of the establishment of Sino-Saudi diplomatic relations as seen from economic and trade development. He explained to us: Opening the gate to the development of bilateral relations not only serves to promote political exchanges between the two sides but will also have a significant influence on the friendly cooperative relations in all fields between the two countries. Particularly, it marks the beginning of a new era for the development of bilateral economic and trade relations. This historically important step has reversed the previous situation of scanty contact between the two sides and poor knowledge of each other and has turned entrepot trade to direct trade which will substantially lower the cost, increase the demand for import, and effect a rapid growth of trade.

Zheng Hongye also mentioned his impressions of Saudi Arabia. He said: Saudi Arabia is an oil-rich country with sufficient funds. Large sums of U.S. dollars earned from oil turned it, by one leap, from a poor country into one that ranks among the richest countries in the world. It is

therefore also a market with high potentialities. But this market is very demanding and sufficient economic strength is essential to entering this market. Only by stepping up market investigation and research, turning out good-quality products that have low prices and a ready market, and making on-schedule delivery, can our country possibly achieve something in marketing our goods in Saudi Arabia. Naturally, Saudi Arabia is also interested in the big market of China. In the past, most of Saudi exports went to Western countries. But since this will probably be affected by the prospective formation of the unified big market in West Europe in 1992, Saudi Arabia has been actively seeking new outlets for its own products. If such complementary trade is genuinely workable, it will benefit both sides.

Zheng Hongye finally revealed to us: The Chinese-Arabian Chamber of Commerce will hold its first council in Beijing in coming September for exchange of cooperation experiences. The CCPIT is planning to hold a Chinese commodities exhibition next year in Jeddah, a famous port city of Saudi Arabia. In addition, some Saudi Arabians are now considering the possibility of investing in China. All this shows the broad prospects for the further development of the Sino-Saudi cooperative relations in economy and trade.

Political & Social

Li Peng 6 August Airport Press Conference

XINHUA Domestic Version

OW0808013190 Beijing XINHUA Domestic Service
in Chinese 0943 GMT 6 Aug 90

[By reporters Li Huailin, and Zhou Shuchun]

[Text] Beijing, 6 Aug (XINHUA)—Premier Li Peng and his party left Beijing by plane for Jakarta this morning to begin their nine-day tour to three Southeast Asian countries.

At the invitation of Indonesian President Suharto, Singapore Prime Minister Lee Kuan Yew, and Thai Prime Minister Chatchai Chunhawan, Premier Li Peng will pay an official friendly visit to Indonesia and Singapore, and pay a working visit to Thailand, beginning from today through 14 August.

Jiang Zemin, general secretary of the CPC Central Committee; Yao Yilin and Wu Xueqian, vice premiers of the State Council; Xi Zhongxun, vice chairman of the National People's Congress Standing Committee; and Luo Gan, secretary general of the State Council; as well as leading members of the Ministry of Foreign Affairs, the Ministry of Foreign Economic Relations and Trade, and the State Council Foreign Affairs Office were at the airport to see Premier Li off.

Thai Ambassador to China Tet Bunnak, and Singapore's commercial representative to China were also at the airport to see Premier Li off.

Among those in Premier Li's entourage are Zhu Lin, wife of Premier Li Peng; Foreign Affairs Minister Qian Qichen and his wife Zhou Hanqiong; and Zheng Tuobin, minister of foreign economic relations and trade.

Meeting with Chinese and foreign reporters at the airport before his departure, Premier Li said he was very pleased to be invited to visit the three Southeast Asian countries.

Answering questions on whether all problems concerning establishment of diplomatic relations between China and Singapore have been resolved and when establishment of diplomatic relations will occur, Premier Li Peng said: China and Singapore are very friendly countries; Prime Minister Lee Kuan Yew paid official friendly visits to China, and "he had on many occasions invited me to visit Singapore. My forthcoming visit [to Singapore] will be an official friendly visit. Of course, during the visit, we shall discuss issues concerning the establishment of diplomatic relations."

Li Peng said: The Singapore Government has time and again indicated that after China and Indonesia have resumed diplomatic ties, Singapore will establish official diplomatic relations with the People's Republic of

China. "We appreciate this stand. I believe the establishment of diplomatic relations between our two countries will not encounter any major problems. Of course, we have to exchange views on certain issues."

Li Peng said: "Without doubt, my visit to Singapore will further enhance the establishment of Sino-Singapore diplomatic ties. As for the specific date of the establishment of ties, I think it will not be far off."

Answering questions concerning overseas media rumors about Zhao Ziyang, Li Peng said: "These reports are completely groundless." He said: When the delegation of Chinese mayors was visiting the United States, Zhu Rongji, head of the delegation and mayor of Shanghai, answered this question. Li Peng said: Comrade Zhao Ziyang committed mistakes last year. His problems are still being examined [shencha]. Comrade Deng Xiaoping did not meet him, and Zhao Ziyang did not venture outside.

Li Peng told the Chinese and foreign reporters: "If you have similar questions in the future, you can ask the Ministry of Foreign Affairs spokesman or the spokesman for the State Council, so that reporters in Beijing will not be perplexed by these rumors."

Answering a question on the fight against corruption in China, Li Peng said: The fight against corruption is a protracted project. There will always be corruption as long as China engages in socialist construction, and carries out reform and opening to the outside world. Corruption is generated not just in China but also in all other countries in the world. The fight against corruption will be a protracted one. It has achieved some success, and the people have given it the credit it deserves. However, we are not satisfied with this. The fight against corruption will continue.

A foreign reporter asked: The Dalai Lama recently stated that there should be no more dalai lamas in the future; what is the attitude of the Chinese Government on this stand?

Li Peng replied: "This is his stand, on which we will not comment for the time being."

Answering a CBS reporter's question concerning Iraq's invasion of Kuwait and the international sanctions against Iraq, Li Peng said: China always proposes that interstate disputes should not be resolved by force, but through peaceful consultations.

He said: China is against Iraq's invasion of Kuwait. China supports Resolution 660 of the UN Security Council. As for the next step, China maintains that support should be given to the mediation made by the Arab League and the UN Security Council and negotiations be conducted between Iraq and the legitimate Government of Kuwait. Iraq should withdraw its troops so that this issue can be successfully resolved.

He said: China's position on this issue is very clear. China always opposes the invasion of any country by

another by force. "We are against such things, whether they occur in America, Asia, or the Middle East."

Answering a question raised by a REUTER reporter, who asked whether China's decision not to sell weapons to Iraq would constitute an interference in Iraq's internal affairs, Premier Li Peng said: I cannot see any connection between not selling weapons and interference in internal affairs. Iraq's invasion of Kuwait is not an issue about internal affairs."

Li Peng reiterated: China has voted for Resolution 660 of the UN Security Council. Under such circumstances, China naturally will not sell weapons to Iraq.

RENMIN RIBAO Comparison

HK0808111090

Beijing RENMIN RIBAO in Chinese carries in its 7 August issue on page one a report entitled "Li Peng Meets Chinese and Foreign Reporters at Beijing Airport." This version has been compared with the above Beijing XINHUA Domestic version and found to be identical, except for the following variations:

Paragraph one, only sentence reads: ... Jakarta this morning. [new paragraph] Premier Li Peng met with Chinese and foreign reporters at the airport before departure, and said that he was very happy to visit on invitation the three Southeast Asian countries. [new paragraph] Answering questions on ... (deleting passage in paragraph one, deleting paragraphs two through six, and adding passage).

Deng Issues Instruction on Mainland-Taiwan Talks

HK0808034190 Hong Kong TUNG FANG JIH PAO
in Chinese 8 Aug 90 p 5

["Deng Xiaoping Reportedly Issues New Instruction on Reunification Talks"]

[Text] According to reliable sources in Beijing, Deng Xiaoping recently issued an instruction on prerequisites for reunification between both sides of strait and on the form of the talks. According to Deng's instruction, the high-level brain trust has worked out a new proposal. That is, the talks between the mainland and Taiwan can be held not only on a party-to-party basis between the CPC and the Guomindang but also between the "Chinese Government" and "China's Taiwan provincial government."

The proposal on the form of the talks was based on the fact that both sides hold that there is only one China, and China has 31 provinces, municipalities, and autonomous regions, including Taiwan. Each province has its provincial government, and the only special point is that the provincial government in Taiwan is controlled by the Guomindang. In legal terms, a country cannot have two "central governments." The relationship between the central government and the local governments in all provinces is the relationship between the leaders and the

led, and there cannot exist an equal relationship between the two sides. A Hong Kong magazine which will soon be published also said when reporting this news that Beijing may also propose that talks can be held with the names used by both sides for the Olympic Games, as the names were accepted by the authorities on both sides and also by the international community. Reportedly, Deng Xiaoping's attitude on the reunification issue is rather tough. He said: "The two sides can hold talks on an equal footing under the general premise that Taiwan is a part of China's territory and that the mainland and Taiwan must be reunified. The reunification program can be discussed between the two parties and can also be discussed under other names on the premise of affirming only one China."

Jiang Zemin, Li Peng, Others Visit Beihai Park

OW0808083290 Beijing XINHUA Domestic Service
in Chinese 1703 GMT 3 Aug 90

[Text] Beijing, 3 August (XINHUA)—Beijing Beihai Park was covered with flowers and colorful lanterns this evening. Amid the flowers and lanterns, party and state leaders Jiang Zemin, Li Peng, Song Ping, and Li Ruihuan eagerly joined the masses from the capital in welcoming the Asian Games with an evening garden party, the "Light of Meihai."

The "Light of Meihai" lantern show consists of 173 large and medium-sized clusters of colorful lanterns which are all made by coal miners from Shanxi.

This evening, the visitors were immersed in the ocean of flowers and the world of lights. The laughter of young, old, and courting couples blended with the joyful music.

Jiang Zemin, Li Peng, Song Ping, Li Ruihuan, and other leading comrades began to arrive at the Beihai Park after 2030 and were greeted by the warm applause of other visitors.

General Secretary Jiang Zemin cordially shook hands with Xiao Zhiying, a national model worker and shift manager of Wangfujing Donghua Garment Company; Wang Zhendong, a veteran worker from Shigiejie Coal Mine of Shanxi Luan Mining Bureau; and Wang Ruizhi, a model worker of Beijing Municipality. They took a boat ride together to view the lanterns. The boat rolled as it moved across the lake amid the bright light of the colorful lanterns. As it approached the shore, Comrade Jiang Zemin said to Chen Xitong, mayor of Beijing Municipality, and Li Ligong, secretary of the Shanxi Provincial CPC Committee: The "Light of Meihai" lantern show is splendid. It is a combination of traditional Chinese lantern art with modern science and technology; it is a product of the Chinese people's wisdom and a great creation of the working class. Please convey my heartfelt regards to the 800,000 coal miners of Shanxi.

During the boat ride, Premier Li Peng noticed the shape of horses in many of the colorful lantern clusters and said

wittily to Xu Xiangcai, curator of the China Coal Museum: "The surname of the director of Shanxi's Datong Mining Bureau is Ma [horse]. The bureau has won the National Golden Horse Award for business administration, and this year is the year of the horse. That is what we call 10,000 horses galloping ahead!" Leading comrades from Shanxi on the boat briefed Comrade Li Peng on the good tidings from Shanxi's coal mines. Li Peng nodded and spoke highly of the many skills of Shanxi coal miners and of the colorful lanterns they made for Asian Games. Premier Li Peng then posed for photographs with Li Heping and Zhao Ditong, representatives of coal miners who made the lanterns, to mark the occasion.

Comrade Song Ping, in a merry mood after hearing the guide's introduction to the lantern show, said: "We should invite the athletes taking part in the Asian Games to come over and have a look."

Comrade Li Ruihuan was very happy after viewing the lantern show. He said: Besides work and study, there should also be entertainment for the people, and life ought to be colorful. This lantern show adds something new to Beijing and the Asian Games.

Leading comrades Yang Baibing, Li Desheng, and Chen Xilian also visited the lantern show.

While he was admiring the lanterns, Wang Jiulai, winner of the 1 May Labor Award and a worker at the Beijing Liujian Company, said to reporters: "Look, these lanterns look very much like the simple hearts of Shanxi coal miners".

The lantern show will end on 10 October.

Deng Said Fostering Tolerance, Moderation

HK0808023390 Hong Kong SOUTH CHINA
MORNING POST in English 8 Aug 90 p 9

[By Willy Wo-Lap lam]

[Text] Senior leader Mr Deng Xiaoping has tried to foster an atmosphere of tolerance and harmony by saying it was permissible for members of the intelligentsia to disagree with the Four Cardinal Principles of Marxism, the "socialist road", and the Communist Party leadership.

At the same time, the patriarch has asked leading members of the party's moderate wing to reassure different sectors of society that the party welcomed criticism and was determined to root out corruption.

According to the latest edition of the China-watching journal THE MIRROR, Mr Deng's message was spread by party General-Secretary Mr Jiang Zemin, Politburo member Mr Li Ruihuan, and National People's Congress chairman Mr Wan Li at a recent national meeting on propaganda.

The three moderate politicians also urged cadres to combat the leftist influence in the party.

In his speech, Mr Li, who has recently crossed swords with Maoist ideologues, quoted Mr Deng as saying "it is permissible for members of academic circles not to agree to the Four Cardinal Principles".

"They (the intellectuals) can have their reservations about the principles and can stage explorations in this area," Mr Li quoted Mr Deng as saying.

"If people have difficulty accepting (the principles) and if you force them to accept them, this will aggravate their resentments."

China analysts say it is the first time Mr Deng has relaxed his demand that every Chinese abide by the principles, which are the basis of party rule.

In public statements after the Tiananmen Square crack-down, the patriarch repeatedly inveighed against "bourgeois liberalisation", which he defines as the "negation of the Four Cardinal Principles".

In his speech to the conference on propaganda, Mr Jiang called for the propagation of a democratic atmosphere, in which people could express their personal views any time.

Mr Jiang quoted Mr Deng saying it was not permissible to label as anti-party or anti-socialist people who had spoken out against a particular official or who held reservations about the decisions of the party.

"If the party has done wrong and failed to do the people good, the people can blame it because the party is the ruling party," Mr Jiang quoted the patriarch as saying.

The party boss said the party would concentrate its energies on curing the problems most often cited by the populace—bureaucracy and corruption.

In his speech to the same conference, Mr Wan, who was a close associate of ousted party chief Mr Zhao Ziyang, said the party must eradicate its leftist roots.

"Leftism has more than 60 years of history in the party," Mr Wan said. "Leftism has almost become another name for the party. This has become dangerous".

Mr Wan, a former vice-premier, said the rise of leftist influences had led to the profusion of bureaucracy and corruption.

He disputed the claims by many that leftists only accounted for a minority in the party.

"It is doubtful whether leftists are the minorities in certain departments and areas. Moreover, it is possible for minorities to become majorities," Mr Wan said.

He urged propaganda workers to reflect the true picture of the party's shortcomings.

"Only if we speak the truth and do concrete things will the people be satisfied," he added.

Referring to the democracy movement last spring, Mr Wan pointed out that it arose mainly because of the problems of corruption and bureaucracy in the party.

He said the party leadership had to bear the responsibility for the malaise, and that it was wrong to pin the blame of events last June on students or intellectuals, who were basically patriotic.

Analysts say the speeches by Mr Wan, Mr Li and Mr Jiang have brought into sharp relief the on-going struggle between the liberals and the conservatives, who are bent on restoring classic Maoism.

Further on Li Ruihuan Meeting With Families

OW0808093190 Beijing XINHUA Domestic Service
in Chinese 0652 GMT 7 Aug 90

[By reporter Zhang Sutang]

[Excerpts] Beijing, 7 Aug (XINHUA)—China's first national meeting to select and award happy families was held at the Great Hall of the People this morning. Following a vote by the masses and a discussion by the Evaluation and Selection Committee, seven families were awarded the golden prize of "happy families," and 10 families received the silver prize of "happy families." [passage omitted]

Li Ruihuan said: In the past 40 years and more since the founding of New China, we have built "revolutionary families," "five-good families," and have carried out other forms of activities to build good families. It is worth our effort to conduct pervasive research on what type of families will accord with our Marxist theory and world outlook, with China's conditions, with our moral standards and will be happily accepted by all.

He expressed the hope that the press should do more to publicize typical happy families in order to help create more happy families.

Xi Zhongxun, Chen Muhua, and Lei Jieqiong, vice chairmen of the Standing Committee of the National People's Congress, attended the award meeting and presented trophies and honorary citations to the winners.

[passage omitted]

Wang Zhen Inspects Heilongjiang 28 Jul-4 Aug

OW0508142790 Beijing XINHUA in English
1407 GMT 5 Aug 90

[Text] Harbin, August 5 (XINHUA)—Vice-President Wang Zhen visited the wasteland in Heilongjiang Province, northeast China, from July 28 to August 4, expressing sincere solicitude to the local people on behalf of the Central Committee of the Communist Party of China (CPC) and the State Council.

As commander of the Railway Engineering Corps and minister of land reclamation, Wang Zhen led the reclamation of the 56,000-square-kilometer wasteland in the 1950s. After over three decades of construction and development, a great number of modern state farms have been set up in the reclamation area, whose grain output now accounts for one third of the total state quota for Heilongjiang Province and whose export volume of wheat and soya beans accounts for half of the province's total.

On his inspection tour of the area, Wang said that the success of the reclamation area shows that socialist public ownership has incomparable superiority.

He stressed: "We advocate that under the prerequisite of making public ownership as the main body, multiple economic elements are allowed to co-exist. That we encourage some people to get rich first means we encourage getting rich through labor and honesty. Our goal is to make all the people rich. We must not allow the birth of capitalist millionaires or billionaires in China. The birth of a tiny minority of upstarts will surely mean poverty of the overwhelming majority of the people. Should that happen China will never be in peace and will never get prosperous."

He said that the central government has recently agreed in principle that the reclamation area will be built into a base with an annual yield of 5 billion kg of commercial grain.

He urged that the area should be built into bases, too, of forestry, animal husbandry and fishing and bases of export production.

Wang Renzhi Attends Forum on Socialist Arts

OW0808093590 Beijing XINHUA Domestic Service
in Chinese 0741 GMT 3 Aug 90

[Excerpts] Beijing, 3 August (XINHUA)—The Literary and Art Bureau of the CPC Central Committee Propaganda Department convened a forum on 31 July on "upholding the socialist road and promoting socialist literature and arts" so as to promote the study of basic socialist theories in the literary and art circles, and to better implement the Central Committee's guidelines on conducting "a shake-up on the one hand and promotion on the other." Wang Renzhi, head of the CPC Central Committee Propaganda Department, attended the forum. He Jingzhi, deputy head of the CPC Central Committee Propaganda Department and acting minister of culture, delivered a speech. Some 20 writers, artists and leading cadres in charge of literary and art affairs from Beijing attended the forum. [passage omitted]

He Jingzhi delivered a speech at the end of the forum. He said: Making earnest efforts to study the basic theories of socialism, and grasping Marxism-Leninism and Mao Zedong thought is an extensive and strategic task of literary and art circles. Presently, it is pressing and practical to integrate ideologies with realities and to

conduct in-depth study on the Central Committee's directives on social issues. He said: It is not only an ideological issue of prime importance and long-term significance for writers and artists to have a correct understanding of the history and realities of China's socialist cause as well as a firm belief that only socialism can save China and that socialism will prevail, but also the main content for the current ideological and political work of writers and artists. It is not only the principal theme of the in-depth education and struggle against bourgeois liberalism but also the ideological foundation for the literary and art circles to enhance unity, stabilize the situation, arouse enthusiasm, and promote socialist literature and arts. He said: The Central Committee has called on the ideological and cultural field to conduct a shake-up on the one hand and promotion on the other. The shake-up and promotion must both uphold the socialist road. He Jingzhi argued: The study of basic socialist theories must be linked with the struggle against bourgeois liberalism; the purge of bourgeois liberalism influence must be linked with resolving the problem of cognition deep down in some people; the self-education of writers and artists must be linked with motivating and uniting the majority; study must be deeply linked to the realities of daily life; and the study and greater awareness of basic socialist theories must be linked with the specific measures for upholding the socialist road of literature and arts.

The forum was chaired by Liang Guangdi, director of the Literary and Art Bureau of the CPC Central Committee Propaganda Department.

'Socialism' of Deng, Zhao Compared

HK0808060790 Hong Kong SOUTH CHINA
MORNING POST in English 8 Aug 90 p 17

[By Willy Wo-Lap Lam]

[Text] In their anxiety to scuttle the rehabilitation of Zhao Ziyang, the Chinese Communist Party's [CCP] left wing has forgotten that the ousted party chief is one of the few cadres capable of steering the party through the crisis that is engulfing socialism.

Mr Zhao's neat formula for ensuring that the CCP stays in power while implementing modernisation was contained in a speech he delivered in a close-door party meeting in early 1987.

The newly-named party General Secretary said: "When we talk about the Four Cardinal Principles (Marxism and Mao Thought, the Socialist Road, Communist Party leadership, and dictatorship of the proletariat) in future, it will do just to put the emphasis on CCP leadership. Now, nobody is clear what exactly the socialist road is. On this matter, we can talk less—or refrain from talking about it at all."

His message: Don't be finicky about what socialism is; if the CCP delivers in the economy, its supremacy will remain unchallenged.

Seeing the sorry state the economy is in after nearly four decades of "Chinese-style socialism"—autarkist central planning and a minimum of incentives for local regions and individual enterprises—Mr Zhao and liberal leaders including the late Hu Yaobang realised that Beijing had to look for alternative models for development.

These non-socialist mechanisms have included turning the Southeast Coast into a quasi-capitalistic belt and converting state companies into joint stock concerns.

To fend off accusations that he was going down the capitalistic road, Mr Zhao and his radical economists dusted off the concept of "the preliminary stage of socialism."

At the watershed 13th Party Congress in late 1987, Mr Zhao pointed out that China was still at the early stage of socialism, under which "multiple forms of ownership and production", including private enterprise and stock companies, could bloom and contend.

Mr Zhao added that given China's poverty, this "preliminary" or "primitive" phase would last for "at least 100 years".

Problem solved! Without quibbling about what socialism is, Beijing would shepherd the nation down the road to a "mixed economy".

Thanks to its economic achievements and to have time-honoured subservience of the populace, the CCP might be able to maintain its stranglehold on power.

There are a number of reasons why Mr Zhao's game-plan may not work. For one thing, as the economy becomes liberalised and the nascent middle and entrepreneurial classes vie with the state for market share, demands will grow for political as well as economic diversification.

What did Zhao in, however, were the objections of the CCP's powerful bloc of hard-core leftists, those die-hard commissars who had been reared on the ethereal elixir called Mao Thought.

The ideologues would have none of Mr Zhao's equivocations. They would never agree to blurring the definition of socialism—even for the worthwhile cause of a faster economic take-off.

The leftist message was contained in an article in the PEOPLE'S DAILY last week, which mounted a ferocious attack on Mr Zhao.

The author, theorist Xu Zhengfan (probably a nom de guerre for a group of ideologues), castigated Mr Zhao for desecrating socialism and for selling out the country.

Xu's fusillade was the first frontal attack on Mr Zhao since early 1990. It represented the ideologues' response to speculation in the Hong Kong and Western press that patriarch Deng Xiaoping had "exonerated" his former protege.

The outburst was also part of a nationwide "patriotic" campaign to foster faith in socialism in the run-up to the Asian Games and National Day on October 1.

Since the middle of the year, the nation's propaganda machinery has gone into high gear to hit home the theme that "socialism is China's only possible choice".

In the wake of Eastern Europe's wholesale renunciation of socialism, however, what exactly do the ideologues mean by "socialism" or "socialism with Chinese characteristics?"

Let us examine the "clear-cut" definitions Mr Xu Zhengfan has laid down for Chinese socialism.

For Mr Xu, the cornerstone of socialism is "to build up an ownership relationship with the system of public ownership as the main" and to gradually replace capitalistic private enterprise with state concerns.

The socialist economy is a "planned commodity economy", where central planning and market adjustments will be synthesised.

So far as the "superstructure", or spiritual civilisation, is concerned, Mr Xu insists that the guiding spirit will be "Marxist consciousness and ideology."

Most important, everybody in socialist China must toe the CCP line.

Mr Xu and the large contingent of like-minded ideologues, of course, have chosen to disregard the fact that theirs seems to be a recipe for economic, cultural and political stagnation.

Recent history has shown that this "pure upon pure" insistence on public ownership, central planning and "Marxist consciousness" will lead to a blight on all initiatives.

Why then, should Mr Xu and his ilk go on trumpeting the tried-and-untrue formulas of classic socialism as China's panacea?

It seems clear that the one person the ideologues want to nail is not Mr Zhao—who, after all, is already a proverbial "dog in the water"—but Deng Xiaoping.

After all, the theory that "socialism is an indistinct concept" was first espoused by none other than the patron of Chinese reform.

In a talk to a Japanese delegation in mid-1984, Mr Deng said: "What is socialism? What is Marxism? In the past, our knowledge of this question was not entirely clear."

"Marxism puts its utmost emphasis on developing production ... The fundamental task of this stage of socialism is to develop production forces."

What Mr Deng has been after is very similar to the Zhao Ziyang persuasion: never mind what socialism is; the system that is best for China is the one that lets it get rich the quickest.

Or as Mr Deng himself put it in 1962: "Be it yellow or black, it's a good cat that catches mice."

The arguments of Mr Deng and Mr Zhao hark back to a long tradition of pragmatism that began with the late president Liu Shaoqi and the early—and uncorrupted—Mao Zedong.

One of Mr Liu's most memorable aphorisms precisely touched on the amorphous nature of socialism: "First we go left, then we go right, and here we are, we've arrived at socialism!"

By opting for flexibility and adaptability, the CCP could have done some good for the people's livelihood—and prolonged its reign for a decade or two.

By turning back the clock, they have preserved the virginal purity of "classic socialism" for a year or two. They may also have hastened the CCP's fall from power.

Commentator Assesses Asian Games Preparations

HK0808081390 Beijing RENMIN RIBAO in Chinese
3 Aug 90 p 1

[Commentator's article: "'Turning Every Problem Discovered Into an Achievement'—50 Days of Valiant Struggle To Usher In the Asian Games"]

[Text] It is now a mere 50 days before the opening ceremony of the Asian Games. In the capital of Beijing as well as in various parts of the country, the awareness of the Asian Games is growing stronger and becoming more striking. The people are also looking forward more and more to the gathering of athletes from different countries and regions of Asia.

The mood in Beijing is one of elation as well as urgency. We must have excellent facilities to welcome the tens of thousands of athletes, coaches, sports personalities, and guests from the different Asian countries and regions, the thousands of foreign journalists, and hundreds of thousands of tourists. To usher in this very busy and demanding Asian sporting extravaganza—hosted by our country for the first time—we not only need first class stadiums, buildings, and communications and transportation networks; most of all we need an orderly organization of competitions and the highest quality of reception, service, and security work. We should welcome our foreign guests with friendly, smiling faces, attentiveness, and great efficiency so that they who come from distant lands and distant cultures will feel at home and be able to fully involve themselves in the competitions and other activities. This thus places tough demands on our preparatory work.

The heads of the Olympic committees of several Asian nations recently visited Beijing to inspect the different

aspects of the preparatory work. They commended the vast amount of preparatory work already underway. (Hilwa), vice chairman of the Olympic Council of Asia, said: "In organizing such a huge sporting event, it is not easy to please everyone. It is also not surprising that this or that problem crops up. However, it can be said that there is not much to criticize about China's preparation for the Asian Games." Such understanding, warm, and friendly assessment is a great boost to all our comrades working and sweating for the Asian Games. But as far as our preparatory work is concerned, it is necessary to set high standards, make strict demands, and strive for the very best. It is imperative to exert the greatest effort to ensure a flawless performance. As the crucial moment of the games' opening approaches, the Asian Games organizing committee has come up with a resounding slogan: "Turn each problem discovered into an achievement." This is an excellent slogan because it is necessary to conduct a thorough check of every aspect of work, every installation, every room, and every procedure of the work operation, and ensure the prompt resolution of every problem that is unearthed. This lofty sense of responsibility should be infused in every phase of the preparatory work.

At present, the logistics and organization of this year's Asian Games have basically been completed. Earlier, the fund-raising activities for the Asian Games received warm response from the people of the entire country. "Setting the stage" thus proceeded smoothly. Under the leadership of the party and with the strong support of pertinent departments and the entire population, the project technicians and personnel, workers, and the entire staff of the Asian Games organizing committee have worked valiantly to overcome serious problems such as inadequate time, capital and experience, and have built the enormous Asian Games village and other related stadiums and halls. Their efforts have won accolades both at home and abroad. These preparatory achievements have boosted our confidence; they have shown that we Chinese are fully capable of organizing and staging a large-scale comprehensive sporting event.

Now that the "stage" is set, the play is about to unfold. When the time comes, the athletes of all countries will take to the center stage as "the main characters." Right now, they are busy getting ready for the battle by engaging in serious and tough training. To turn out excellent performances, our athletes have also been working and training hard for the past month. Meanwhile, the other aspects of preparatory work are still quite tedious. The stadiums and facilities have to be tested, while mass calisthenics exercises have to be rehearsed. Organization, service, transportation, and security work must be taken care of. In other words, every little detail has to be attended to. Compared with the Asian Games' preparatory work over the last few years, the next 50 days may be seen as the final sprint in a long race. The success or failure of the preparatory work is tied closely to our performance in this final sprint. Hence, it is necessary to carry on persistently in

this final stage, press forward, and implement the work well to achieve the ultimate victory.

At the moment, two dry runs of the Asian Games have been conducted, and another one is scheduled for early September. Problems discovered during the dry runs have been dealt with swiftly. This is a very earnest and scientific attitude. The Asian Games is a vast and complicated systematic project. To ensure that every gear in the machine runs smoothly, it is imperative that more potential problems in the preparatory work be unearthed, including problems in project technology, organization, and management as well as laxity and carelessness in thinking and work style. It is the urgent task at present to seek out problems and resolve them, and to anticipate all others that might crop up and be ready to deal with them.

We believe that with a superior socialist system, the determined leadership of the party, and the active support of the people, the preparatory work for the Asian Games will be completed smoothly and with flying colors within these 50 days. This unprecedented gathering in the history of the Asian Games will also definitely be a success.

Democracy Activist Yue Wu's Career Viewed

HK0808022190 Beijing RENMIN RIBAO in Chinese
31 Jul 90 p 4

[Article by Li Xin (2621 2946) and Song Yu (1345 6735): "What Kind of Man Yue Wu Is—Prodemocracy Worker Taking Refuge Abroad, Originally Carried in 30 July GONGREN RIBAO"]

[Text] Recently, a disturbance was stirred up by some overseas newspapers and radios, which enthusiastically boasted about a so-called "worker leader-in-exile," Yue Wu [1471 2976]. A bimonthly journal in Hong Kong, PAI HSING, carried an article in its 200th issue, 16 September 1989, saying: Yue Wu, deputy chief commander of the Beijing "Autonomous Federation of Workers," has escaped to France and become the only "worker leader" who has turned up abroad. Taiwan TUNG-FANG JIH-PAO reported on 18 January 1990 that this very important person of the "worker movement," Yue Wu, had arrived in Taiwan from France, and that he would take part in the activities held during the week of World Freedom Day. On 16 February, the newspaper carried a report which said that the "Autonomous Federation of Chinese Workers," initiated and coordinated by Yue Wu, former deputy chief commander of "Autonomous Federation of Beijing Workers," would set up an overseas preparatory office in Paris after four months' deliberation to officially start operation. Yue Wu also dressed himself up like a "democracy fighter" and made speeches which were carried in Hong Kong and Taiwan newspapers, saying "I have decided to be a professional revolutionary dedicated to China's prodemocracy movement. I am working on reorganizing the 'Autonomous Federation of Workers' in Paris, to

overthrow the CPC, and to build a democratic China!" He continued: "My stand is, whoever supports the democracy movement or opposes the CPC is my friend."

What kind of organization is the "Autonomous Federation of Beijing Workers?" And what kind of a man is Yue Wu? To clarify the facts and truth, we give some introduction and explanation here to enable kind people to sharpen their vigilance, distinguish right from wrong, and upgrade their alertness.

I

In May of 1989, the turmoil, which was planned by a handful of people and which shocked people at home and abroad, had already lasted for nearly a month. The planners knew that the student movement alone could not have much of an effect and that only when the workers were incited could they accomplish their conspiracy. Therefore, Ren Wanding, head of the already abolished illegal organization "Human Rights Federation," went from campus to campus in Beijing to instigate: "Students must unite with workers...break through despotism, and success will come." Hu Ping and Liu Xiaobo, the chief members of the reactionary organization "Chinese Alliance for Democracy," sent from New York an "open letter to China's university students" which put forward the idea of "strengthening ties with various sectors of society" and "seeking their support and participation." The posters which appeared in the triangular zone of the Beijing University campus also advocated similar conspiracies. However, their conspiracy to instigate workers could never be achieved. China's working class realized from its own experience that only socialism can save China and that only the leadership of the CPC can bring China prosperity, affluence, and vitality. Therefore, the conspirators could only take others' job into their own hands.

First, they pretended to be workers and organized and printed the "Letter to the People of the Whole City." They distributed this in great number on the main roads and busy areas such as Xijiekou, Xidan, and Tiananmen Square in an attempt to incite workers to go on strike and residents to close the market to paralyze the capital's economy. They also started many rumors, which said: "The workers of the Capital Iron and Steel Complex have already gone on strike!" Responding to this, the Beijing City General Trade Union issued a solemn statement refuting the lie. Some people organized the "Flying Tiger Team" to rock the Capital Iron and Steel Complex; the result was a bad failure.

At this moment, after active planning, an extremely small number of planners decided to go further, whatever the consequences, to organize the "Autonomous Federation of Workers" to oppose the party's leadership and socialist system. On 18 May, at about 2300, a graduate student gave an inflammatory speech in front of the East Entrance of the Great Hall of the People.

Several respondents in the audience were then hurriedly gathered to form the so-called "Autonomous Federation of Workers."

After this organization established itself, it began to shout "overthrow the government" and issued much reactionary propaganda. On 26 May, the head figures of the organization said frankly at a press conference: "We must abolish the CPC." When answering the question "With what means will you deal with the government," they said: "When it is truly necessary, we use force to wake the people up."

Despite their eagerness to recruit followers and their announcements that "workers, peasants, businessmen, students, and soldiers can take part" or "we have money, if you join our organization food is not a problem," only 400 people participated in their activities up to the day they collapsed. Even they themselves said: "Our team is very poor; 80 percent of them have been dismissed by their units." What kind of workers' organization is this?

II

What kind of man is Yue Wu? He was in fact not a Beijing worker. He did not have a Beijing household registration and had never worked a single day in any state-run, collective, joint-venture, or individual enterprise in Beijing. How then could he become the deputy chief commander of the "Autonomous Federation of Beijing Workers?"

Investigation has now confirmed that Yue Wu was originally a student at a certain technical school in Anshan. In 1966, he was transferred to Yangquan City in Shanxi. In 1988, during implementation of the contract system for enterprises, he contracted the operation of the branch ironworks of Yangquan Aluminum Plant, persuading with eloquence and serving as its factory manager. In less than half a year the branch ironworks lost 280,000 yuan. After auditing, the main plant discovered serious economic problems related to Yue Wu. Because of this, the main plant decided in the spring of 1989 to suspend Yue Wu's contract. Yue Wu knew clearly that this meant not only the loss of the position as "factory manager" but also the disclosure of economic problems. He was as restless and worried as ants on a hot pan. It was precisely at this moment that the turmoil broke out in Beijing, and he thought that it could resemble the "Cultural Revolution," so he could shirk responsibility on the one hand and fish in the troubled water on the other. Therefore, he boarded the train to Beijing.

On 18 May, Yue Wu sneaked to Tiananmen Square soon after arriving in Beijing. At midnight, a graduate student gave a speech in front of the East Entrance of the Great Hall of the People, inciting people to set up a "Preparatory Office for Beijing Municipal Workers' Autonomous Federation." No sooner had the speech ended than Yue Wu, who waited for his turn, shouted loudly: "Support the speech just given by the university student. We must organize ourselves to support the students and protect

their patriotic movement." Following the graduate student's suggestion, the Temporary Command Post of the "Preparatory Office for Beijing Municipal Workers' Autonomous Federation" was set up on the spot. The command post had one chief commander and five deputy chief commanders. At that moment there were only a dozen or so people present, and after they suggested their own names for consideration, Yue Wu became the deputy chief commander.

"Now that we have an organization, we should make a declaration to express our viewpoint!" Yue Wu said complacently. Thereafter, the graduate student drafted, read through a loudspeaker, and disseminated the "Declaration of the Capital's Workers," warning the CPC Central Committee and the State Council to "within 24 hours unconditionally accept the two points of the students, or else a general strike by all workers in the municipality will begin at 1200 on 20 May."

With the "organization" and the "declaration," Yue Wu further suggested occupying the passage on the west reviewing stand in Tiananmen Square as a spot for their activities, corresponding to the "Autonomous Federation of Beijing College Students," which occupied the spot beneath the Monument to the People's Heroes. The Tiananmen Management Office had repeatedly asked them to leave as soon as possible, but these people said wildly: "When we succeed, we will first settle our account with you, and shoot you!"

During this period, Yue Wu was extremely arrogant, and he instructed others to do this and that. He even went on to suggest the slogan of an "armed uprising to 'liberate' all of China," but this was considered by other head figures as "too radical" and "too revealing." Thereafter, on the evening of 22 May, several head figures of the "Preparatory Office for Beijing Municipal Workers' Autonomous Federation" held a meeting, where they decided that "Yue Wu was too ambitious" and "unreliable" and removed his name from the list of the five-member "Standing Committee." On 23 May, at the "press conference for Chinese and foreign reporters" held at the Monument to the People's Heroes in Tiananmen Square, they announced that the "Preparatory Office for Beijing Municipal Workers' Autonomous Federation" had changed to "Preparatory Committee for the Autonomous Federation of Workers in the Capital" and announced the structure of the organization after the adjustment, dismissing Yue Wu from his "duty" as "deputy chief commander." Beginning at midnight on 18 May and ending on the afternoon of 23 May, Yue Wu, who had evil intentions and dreamed of "becoming great," concluded his four-and-a-half-day career as "deputy chief commander of the Beijing Municipal Workers' Autonomous Federation." Thereafter, he wandered around by himself, became bored, and sneaked back to Shanxi's Yangquan on 30 May, looking crestfallen.

Yue Wu was very frightened after the counterrevolutionary rebellion in Beijing was quelled. He thought that

whether or not he was heavily involved in the "Beijing Municipal Workers' Autonomous Federation," once it was revealed other problems would emerge, and just his economic case would be enough to bring him to court. Therefore, on 12 June he pretended to go on a trip to demand repayment of loans and carried with him public funds amounting to 3,000 yuan, to attempt crossing the border and escaping to a foreign land.

III

In 1966, when Yue Wu was transferred from Anshan to Yangquan's aluminum mine, it was the early period of the "Cultural Revolution." He was less than 20, but engaged in rebellion and became a small figurehead of a certain mass organization in the mine. From then on he dreamed of being a great official, becoming wildly ambitious, and working his way up through various means, acting disgracefully many times.

At the beginning, he led a group of little brothers to struggle against the "capitalist roaders," and he smashed, cracked, looted, and confiscated things, and participated in "using essays to attack and force to defend," serving as a member of the "mine revolutionary committee" and deputy director of the "Committee of Worker Representatives." Soon he was involved in various cliques and factions, as well as in the struggle among them. In 1970, he wanted to protect his "official title," and because of this he created stories and compiled in one night a 120-page "revealing and confessing" report, slandering more than 100 innocent people, and accusing 57 cadres and workers of being "counter-revolutionary suspects."

During the period of the "Cultural Revolution," in the activities of searching homes and confiscating property, Yue Wu discovered the biographies of fascists such as Hitler, Mussolini, and Chiang Kai-shek, and such big hooligans in Shanghai as Wang Chin-jung and Tu Yueh-sheng, and he viewed them as great treasures. He said: These people are really great and have aspirations; people only live once, and if one cannot leave a good name for a hundred generations, one should leave a stench for 10,000 years, just like them. Imagine, how can a man with his psychology understand "democracy," "freedom," and "human rights?" He was an opportunist who on three occasions climbed to the leading post, but each time his career did not last long while his evil performance was each time more brilliant. He took fierce fighting as "revolutionary action" and used it against the staff and the masses. On one occasion he hit a worker until he fainted and fell to the ground, refusing to let others come to his rescue. Another time, he tied a worker with a rope, undressed him, and beat him with a leather belt until he was bruised and lacerated. On another day, he led a gang of hatchet men to a nearby school, tied a primary school teacher to a pole, beat him up, and took three packs of cigarettes and more than 100 yuan. The staff and the masses could not take this and began to complain, but he said: "I do not think this is a problem."

During the period of the "Cultural Revolution," Yue Wu was not only a reactionary who mistreated cadres and workers but also a corrupt and degenerate man. In 1988, after serving as factory manager of the contracted iron works for less than half a year, the main plant conducted an audit and examination and discovered serious economic problems involving him. According to preliminary analysis, in addition to operational losses, Yue Wu used plant funds for personal gain. First, he ate, drank, played, and enjoyed himself, spending dissolutely. According to statistics, he spent 30,000 yuan in six months on food and drink. He often boasted about himself to others: "In eating, drinking, prostitution, gambling, and smoking, I am matched by no one!" Second, he drew up a list of names and items, to ask for money to write off. On one occasion he produced from his pocket a blank invoice of a certain unit in Hebei Province, wrote on it a labor charge, and took 3,400 yuan in cash. Third, he engaged in private deals and shared illegal incomes. Judging from the book, 14 units owed the branch iron works more than 160,000 yuan. However, the examination indicated that the amount was only 100,000 yuan. The rest was the amount which had already been paid but had not been entered into the book, or the amount in which a debt was recorded but for which there was no actual debtor, or the amount which was not debt but credit. Take one client as an example; the balance was debt amounting to more than 10,000 yuan. Fourth, he established links inside and outside the plant to steal and sell goods. It has already been proved that Yue Wu often encouraged outside units to steal pig iron and engaged in profiteering with lawless elements.

One cannot find the word "democracy" in Yue Wu's dictionary. He could not listen to different opinions, and whether his opinion was right or wrong, he demanded absolute obedience from others. Yue Wu once instructed his accountant to forge a bill for 3,000 yuan, but the accountant did not follow his instructions. Yue Wu then became angry and suspended the accountant's 140 yuan salary. This occurred during the hot summer, and he insisted that she work by the hot-blast stove. The matter was still not over. One day, Yue Wu met the accountant's husband and asked: "Do you know why your wife quarreled with me?"

"No, I do not."

"You do not. Good, go home and think about it. Beginning today, you need not come to work for three days."

Several days later, the husband was transferred to another job.

Looking at the unprofessional behavior of Yue Wu, people can clearly see his true face. He was not a "human rights fighter," but rather a "boxer fighting against others."

IV

During the period of the turmoil in Beijing, Yue Wu, out of the need to cheat and deceive students, raised the banner of "democracy" and "patriotism" to achieve his evil purpose. Then, once he escaped the country and entered the "free world" of capitalism, he hurriedly removed his camouflage and exposed his original shape—a traitor to his country and his nation, a man antagonistic to the CPC, opposed to the socialist system, and trying to attain capitalism.

According to the foreign press, Yue Wu arrived in Paris in August 1989 and immediately took the post of supervisor in the reactionary organization "Federation for Democracy in China," which was founded by Yan Jiaqi, Wan Runnan, and Wuer Kaixi.

According to a report in the 17 February 1990 issue of HSIANGKANG SHIHPAO [Hong Kong Times], on 14 February Yue Wu established in Paris an "Overseas Preparatory Office for the Autonomous Federation of Chinese Workers."

According to the bimonthly journal PAI HSING's 16 September 1989 issue, when Yue Wu answered reporters' questions, he "said in an agitated tone: Although I am overseas now, I have decided to be a professional revolutionary dedicated to China's democracy movement. I am planning to reorganize the 'Autonomous Federation of Workers' in France to overthrow the CPC and build a democratic China!"

How easy is it to say reorganizing the "Autonomous Federation of Workers" in a foreign land? According to the 16 September 1989 PAI HSING, "Yue Wu hopes that after the headquarters of 'Autonomous Federation of Workers' is established in Paris, it can secure support from trade unions all over the world, especially the trade unions in France and Hong Kong." "However, judging from the situation in Paris, the response to Yue Wu's proposal has not been enthusiastic." "It seems that Yue Wu has little strength and few followers...." Yue Wu could only act like other escaped "cream," and attempted to flatter the overseas anti-communist and anti-China forces to please and gain grants from their masters. They even directly fell into the arms of the Taiwan authorities. Meanwhile, they attempted to please their masters by attacking the CPC and cursing the socialist system. According to PAI HSING, "Yue Wu is very explicit. He points out that it is necessary to overthrow the CPC if there is to be hope for the future of the democracy movement in China. Therefore, the 'Autonomous Federation of Workers' he is preparing to establish in Paris also has the slogan 'Down with the CPC.' Whoever supports them in overthrowing the power of the CPC can be their ally." The journal continues: "It is necessary to unite with any possible forces overseas. Therefore, Yue Wu admits that he will not refuse aid from Taiwan." As expected, on 16 January 1990 Yue Wu arrived in Taiwan from France, and said in an interview with a HSIANGKANG SHIHPAO

reporter: "This time I might have to stay in Taiwan for a couple of weeks. I hope to gather some funds for the 'Autonomous Federation of Chinese Workers' and contact various labor groups in Taiwan." On the afternoon of 19 January, Yue Wu participated in the Taipei symposium on "the problem of communist party—changes in Eastern Europe and the difficult situation faced by the CPC," which was organized by the "World and Asia-Pacific Anti-Communist Alliance, Republic of China Headquarters," at the Yuan Shan Hotel. He stressed in his special report that "the Government of the Republic of China should give its full support." On 22 January, a HSIANGKANG SHIHPAO reporter conducted a special interview with Yue Wu, and asked: "Now that you have accepted the World and Asia-Pacific Anti-Communist Alliance invitation to visit Taiwan and have made contact with this organization, which is a staunch opponent to communism, do you have any worries?" Yue Wu answered: "I do not have any worries. My position is, whoever supports the democracy movement or opposes the CPC is my friend." More and more Overseas Chinese and people upholding justice in various countries are dissatisfied with and have grievances against the ugly performances abroad by men such as Yue Wu. An Overseas Chinese organization in the Philippines wrote an open letter condemning this group of traitorous "cream"; "For the purpose of securing your own place, you ignore the country's dignity and the nation's interest. To gain rewards from your masters, you flatter them at the expense of humiliating your country, trampling on your own nation, and cursing your compatriots. Your performance makes you like a sy. ophant! You betray your ancestors with your behavior. You are the scum of your nation!"

The nation's scum such as Yue Wu are selling their souls. However, how much are they worth? We will wait and see.

CPC Officials Visit Grass-Roots Units

OW0708083790 Beijing XINHUA in English
0629 GMT 7 Aug 90

[Text] Beijing, August 7 (XINHUA)—Nearly a thousand officials from various departments of the Central Committee of the Communist Party of China (CPC), including 44 department heads and 257 bureau heads, have gone down to grassroots units to carry out investigations in recent months.

Lu Feng, head of the Organization Department of the CPC Central Committee, went to Langfang City and Gu'an County in Hebei Province to solicit opinions and suggestions from local residents. Wang Renzhi, head of the Propaganda Department of the CPC Central Committee, went to Hubei Province to hold discussions with local officials on theoretical, cultural, press, and publishing issues. Wang also visited farmers in Hubei and Henan Provinces.

The General Office of the CPC Central Committee sent 26 people to conduct investigations in nine provinces—

Fujian, Shaanxi, Guangdong, Hebei, Yunnan, Sichuan, Hubei, Zhejiang and Gansu. They have written reports on the building of a clean government in Quanzhou City in Fujian Province, how the party leaders of Shangluo Prefecture in Shaanxi Province serve the people, and on building up party organizations in foreign-funded enterprises in Guangdong Province.

The Central Committee of the Chinese Communist Youth League has sent staff to universities and colleges in Beijing, Tianjin, Shanghai, Anhui, Shaanxi and Gansu. Based on their work, they have written more than 10 reports, including one on suggestions for ideological and political work among students.

Other departments, including the United Front Work Department and the International Liaison Department of the CPC Central Committee, and the All-China Women's Federation, have made investigative reports on technical assistance for poor areas, minority nationalities, religions, united front work, stability in border regions, and women's issues after touring Guizhou, Sichuan, Guangxi, Tibet, Xinjiang, and Inner Mongolia.

Leaders Send Wreaths to Deceased Comrade

OW0808084190 Beijing XINHUA Domestic Service
in Chinese 0358 GMT 8 Aug 90

[Excerpt] Beijing, 8 Aug (XINHUA)—Comrade Chen Yafu, an exemplary CPC member, loyal proletarian fighter, outstanding leading cadre of political, military and education work of the Army, and former deputy political commissar of a department under the General Staff Department, died of illness in Beijing on 1 July at the age of 76.

A ceremony to pay last respects to Comrade Chen Yafu was held at the auditorium of the Babaoshan Cemetery of Revolutionaries in Beijing on 3 August. Wreaths were sent from Nie Rongzhen, Qin Jiwei, Xi Zhongxun, Zou Jiahua, and Yang Jingren, as well as from the General Staff Department, the Beijing Military Region, the Hebei Provincial Party Committee and Government, and the party, government and Army leading organs of the prefecture and county where Comrade Chen Yafu was born. Yang Dezhi and others attended the ceremony. [passage omitted]

Science & Technology

Deng Urges Scientific, Technological Research

HK0808064590 Beijing RENMIN RIBAO OVERSEAS
EDITION in Chinese 1 Aug 90 p 2

[Article by Qian Sanqiang (6929 0005 1730): "China Must Gain a Foothold in the World's Domain of High Technology"]

[Text] In the contemporary world, science and high technology are developing rapidly, and new achievements are continuously made in their development and

application. There are immeasurable prospects in the development of science and technology.

Comrade Deng Xiaoping pointed out: "Many countries in the world are formulating and implementing their programs for developing high technology, and the next century will be a century of high technology. Thus, China must also develop its own high technology and gain a foothold in the world's domain of high technology."

At present, nearly 10,000 young and middle-aged scientists in our country are working hard to fulfill the 863 High-Tech Program. Ten thousand young people are diligently studying modern science and technology and modern management skills abroad. As a veteran who took part in the development of our country's nuclear energy undertakings, I would like to express my opinion on developing high technology.

First, in order to develop high technology, we must attach importance to the study and research of basic sciences. The modern scientific and technological development history shows that new and high technology is derived from discoveries and developments in the basic sciences. Take atomic energy as an example. When I was a student and studying nuclear physics, I did not know that this branch of science would pave the way for the development of a new and powerful technology. In early 1939, when experiments revealed that nuclear fission would release huge amounts of energy, the whole world was shocked. In October 1939, a group of scientists headed by Einstein sent a letter to President Roosevelt, suggesting "it is possible to create nuclear chain reactions using a large quantity of uranium, and much energy can thus be released.... This can be used to make a kind of extremely powerful new bomb." Roosevelt first established a uranium advisory committee to carry out a series of scientific research projects. Two years later, he issued a secret order to develop atomic bombs in the United States. This was the so-called "Manhattan Project." Later, scientific research concerning the fusion of light nuclei revealed that under certain conditions, fusion can be caused among light nuclei in a very short time, and this paved the way for hydrogen bombs. The creation of nuclear reactors made it possible to build nuclear power stations, and the peaceful utilization of nuclear energy could thus benefit mankind.

History shows that science must advance ahead of production and play a guiding role in production development. This is the beginning of the new relationship between science and production. Marx said that "science has become a direct productive force." Comrade Deng Xiaoping also said that "science and technology constitute the primary factor in the productive forces." They show us the future of scientific and technological development. A solid foundation in basic scientific research, therefore, will produce a strong impetus in the advancement of human life and national wealth and power.

Second, China must take the road of self-reliance and hard struggle in order to develop high technology. At the

same time, China should also learn from the successes of other countries to achieve China's own goals. Take the sophisticated research projects in developing atomic and hydrogen bombs as an example. At the beginning, we tried to rely on a foreign country, but the foreigners refused to give us the model for the atomic bomb. In June 1959, they tore up the contract and recalled their experts. We were then forced to carry on the project by relying on our own efforts. At that time, we called for the continuation of the Yanan spirit of "using our own hands to create what we need" among the scientists and technicians involved in the project. Under the personal guidance of Premier Zhou and Marshal Nie Rongzhen and through the concerted efforts of many units throughout the country, we eventually succeeded in exploding our country's first atomic bomb in October 1964. We continued to successfully develop our own nuclear missiles, hydrogen bombs, nuclear-powered submarines, and new models. At present, we can independently design and build nuclear power stations. China ranks among the five nuclear powers in the world and has greatly increased its national defense strength. All this has greatly boosted the Chinese people's morale! The Chinese people are intelligent and hardworking. We have national self-confidence. With old, middle-aged, and young people joining hands and with middle-aged and young people as the main force, we can certainly achieve the same results the technologically advanced countries have achieved.

Third, China must rely on the superiority of the socialist system in order to develop high technology. I firmly believe that the overwhelming majority of the young people now studying in foreign countries love their socialist motherland and hope for China's prosperity. Their patriotic enthusiasm will be turned into concrete action for the realization of China's scientific and technological modernization, as the scientists of the older generation did. In the process of developing our atomic and hydrogen bombs, we adopted a policy of self-reliance and undertook large-scale coordinated action. To undertake large-scale coordinated action, the manpower, technological expertise, and materials of thousands of institutions in various fields were mobilized to support the sophisticated scientific research project under the unified leadership of the party Central Committee and the State Council, and they cooperated in tackling various technical problems. Thus, the superiority of the socialist system was brought into full play under the party's leadership. Today, in order to develop high technology and scientific undertakings, we must also trust and rely on the socialist system that has existed for 40 years in China. To love the motherland, we should love the socialist motherland; to dedicate ourselves to the service of our own country, we should build socialism in China. Although I am now much older, I am still willing to join young students now studying abroad to struggle for the motherland's prosperity in perpetuity!

Development of New Retrievable Satellites Viewed

HK0708054190 Hong Kong ZHONGGUO XINWEN SHE in Chinese 1335 GMT 31 Jul 90

[Report by Zhu Daqiang (2612 1129 1730): "China Is Developing New-Type Retrievable Satellites"]

[Text] Beijing, 31 Jul (ZHONGGUO XINWEN SHE)—This reporter has learned from the Research Institute of Space Technology, that China is stepping up the development of a third-type of retrievable satellite and will launch it in the near future.

Experts said this new type of retrievable satellite is superior to all the previous ones China has launched and retrieved in respect of the general quality, the effective load of the retrievable part, and the time it flies in the orbit.

It is said that the research on bigger, better, and more complicated retrievable satellites is also being carried out.

At present, of the 26 satellites China has successfully launched, 11 are retrievable. This kind of applied satellite has been launched the most often. It has comparatively greater social and economic results.

China began to develop retrievable satellites in 1967. The testing stage was completed in the 1970's, and in the 1980's, the development entered application.

The retrievable satellites already applied are all remote sensing technological satellites. They belong to two different types.

The first type is used in the reconnaissance survey of natural resources. The characteristics of the satellite photos are: The scale they use is bigger, the pictures are clearer with a wider field of vision, the speed is faster, and the resolving power of the ground pictures is much higher than the scanning pictures made by land satellites [lu di wei xing 7120 0966 5898 2502] and meteorological satellites. They are capable of making dynamic-state monitoring. They have also many CCD cameras for transmitting pictures.

The other type is the photographic surveying satellite. Through the pictures it takes, we can locate exactly where the interesting targets are located and can make a map of them. The area covered by each satellite picture is 1,400 percent larger than an ordinary aerial photo, and the total ground area covered by the pictures made by the satellite on each orbit flight is twice as big as China's territory. Experts believe that China's satellite photographic position technology is one of the most advanced in the world.

Over the past few years, on retrievable satellites, China has also made an exploration into the research of microgravity in space. In 1987 and 1988, China launched three

retrievable satellites to carry out experiments on 134 items concerning microgravity. Satisfactory results were achieved.

China also provides foreign customers with services in experiments on the cultivation of algae, the formation of protein, and microacceleration survey. In the experiment on preparation of gallium arsenide monocrystal in the space materials processing furnace in particular, it has made remarkable achievements that are of great academic and economic value.

Changchun Hosts World Chemistry Symposium

OW0808015390 Beijing XINHUA in English 1453 GMT 7 Aug 90

[Text] Changchun, August 7 (XINHUA)—The Changchun International Symposium on Analytical Chemistry, the first of its kind ever held in China, opened here today.

About 300 chemists from the United States, Japan, the Soviet Union, India, China and other countries are attending the five-day symposium jointly sponsored by the State Education Commission, the Chinese Academy of Sciences and the Chinese Chemistry Society.

High-Altitude Balloon Launched With USSR

OW0808090390 Beijing XINHUA Domestic Service in Chinese 0644 GMT 6 Aug 90

[By reporters Tian Yachuan (3944 1246 1557) and Zhuo Peirong]

[Text] Beijing, 6 Aug (XINHUA)—[Words indistinct] international cooperation on physics research thus commenced.

This high-altitude exploration balloon was jointly released by the Lebedev Physics Department of the Soviet Academy of Sciences and the Institute of High Energy Physics of the Chinese Academy of Sciences with the assistance of the Institute of Atmospheric Physics of the Chinese Academy of Sciences. The balloon is 108 meters long. It resembles a long white dragon when laid flat on the ground. After several consecutive days of work under the hot sun by scientists from the two countries, they began to fill the balloon on the evening of 5 August. Four full truckloads of nitrogen gas were pumped into the balloon. The long dragon's body inflated gradually; then the head was raised. It stood majestically as it grew taller; it eventually turned into a white mushroom and slowly ascended into the sky.

The balloon will eventually be inflated even more and take the shape of a ball; this is because air pressure is lower at higher altitudes. According to plan, the balloon will rise to 33,000 meters and fly westward along 40 degree north latitude 80-100 hours, landing 5,000 kilometers away in the Kazakh Republic, east of the Caspian Sea in the USSR.

This particular balloon uses the international satellite tracking and rescue system for positioning and tracking. Equipment on the balloon will continuously transmit information to ground tracking stations. It will provide data for astronomical observations, cosmic ray surveys, and high altitude atmospheric surveys. At the same time, the balloon also carries some plant samples for research on hereditary variations.

This is the first collaboration on long-range high altitude scientific survey balloons between China and the Soviet Union. If this particular effort is successful, it will mark the birth of the longest range international high altitude balloon flying system in the northern hemisphere.

At 2100 on 5 August, the balloon smoothly cruised through Beijing airspace. According to signals received by the ground tracking station on the afternoon of 6 August, the balloon is operating normally and according to original plan.

Military

Leading Naval Organs Reshuffled

HK0408041290 Hong Kong TA KUNG PAO in Chinese
4 Aug 90 p 1

["Special dispatch" from Beijing: "Leading Naval Organs of China Reshuffled"]

[Text] Beijing, 3 Aug (TA KUNG PAO)—Several days ago, the Central Military Commission made some readjustment of the leading organs of the Navy, the three naval fleets, and the Air Force of the Navy. Vice Admiral Wei Jinshan, deputy political commissar of the Navy, has been promoted to the post of political commissar of the Navy to replace Admiral Li Yaowen. Vice Admiral Qu Zhenmou, deputy commander of the South China Sea Fleet, has been promoted to the post of commander of the North China Sea Fleet to replace Vice Admiral Ma Xinchun. This is another important personnel change in the military leading stratum of China following the readjustment and exchange of leading bodies of various military regions in May this year.

According to reports, during the current readjustment and exchange of leading bodies, what has attracted greater attention is the promotion of some rear admirals to important posts. Rear Admiral Zhao Guochen, commander of the Lushun Base, has been promoted to the post of chief of staff of the Navy. Rear Admiral Wang Xugong, commander of the Air Force of the North China Sea Fleet, has been promoted to the post of commander of the Air Force of the Navy. Rear Admiral Shan Dade, deputy political commissar of the Air Force of the Navy, has been promoted to the post of political commissar of the Air Force of the Navy. Rear Admiral Lian Yaoting, deputy political commissar of the Air Force of the Navy, has been promoted to the post of political commissar of the East China Sea Fleet. Rear Admiral Zhou Kunren,

deputy director of the Political Department of the Navy, has been promoted to the post of political commissar of the South China Sea Fleet.

Vice Admiral Nie Kuiju, deputy commander of the Nanjing Military Region and concurrently commander of the East China Sea Fleet, and Vice Admiral Gao Zhenjia, deputy commander of the Guangzhou Military Region and concurrently commander of the South China Sea Fleet, will retain their posts. Vice Admiral Zhang Haiyun, political commissar of the South China Sea Fleet, has been transferred to the post of political commissar of the North China Sea Fleet.

Xinjiang Military Official Sentenced

HK0808063490 Hong Kong AFP in English 0624 GMT
8 Aug 90

[Text] Beijing, Aug 8 (AFP)—A senior military official in China's strategic Xinjiang region has been sentenced to 18 years in prison on corruption charges, the LIBERATION ARMY DAILY said Wednesday.

He Luhua, former deputy head of the Xinjiang Military Area's political department, was sentenced July 28 by Lanzhou military court, which covers the northwest frontier region, it said.

He was accused of swindling 530,000 yuan (112,300 dollars), mainly through illegal sales of motor vehicles, said the newspaper, widely read by political cadres in the People's Liberation Army.

Two other officials accused in the same case, including a one-time political commissar at a military hospital in Xinjiang, got prison terms of three and five years.

Western military observers said the case was one of the biggest of its kind involving PLA personnel to be publicized in recent months, at a time when the Chinese Government has been campaigning against corruption.

The PLA's role in Xinjiang has been strengthened since bloody riots in April this year by Moslem separatists near Kashgar city.

Journal Describes Seven Military Regions

HK0708010990 Hong Kong TANGTAI in Chinese
No 34, 21 Jul 90 pp 10-12

[Article by Yi Hua (0181 5478): "A Briefing on the Deployment of the Seven Major Military Regions"]

[Text] Editor's note: Each of China's seven major military regions has its own specific defense and strategic tasks. For this reason, there are also differences among various regions in respect of their military strength, weaponry, and equipment. Every military region is in fact a theater of operations. This article makes an analysis of the characteristics of the deployment of every military region.

The Beijing Military Region

The Beijing Military Region has under its command the Beijing Garrison Command, the Tianjin Garrison Command, the Hebei Provincial Military District, the Shanxi Provincial Military District, and the Inner Mongolia Regional Military District.

The Chinese capital Beijing, which is the political, economic, and military nerve center of the whole country, is in the Beijing Military Region. In Beijing's defense affairs, apart from military installations and national defense projects, the main military tasks also include civil air defense.

Since the founding of the state, the Beijing Military Region has used a lot of money and manpower to build air defense projects. It is the region with the most advanced air defense projects in our country. For many years, Qin Jiwei has been chairman of the Civil Air Defense Work Committee of the Beijing Military Region. He has rich experience and a good knowledge of the ventilation, water-supply, and radiation-proof installations of the underground air defense projects.

The Beijing Region has also built a very long underground military highway in Beijing, along which giant tanks can pass freely.

The engineer units of the People's Liberation Army [PLA] and the Commission of Science, Technology, and Industry for National Defense have repeatedly tested and examined the nuclear effect of the atomic defense projects built in Beijing. The "shock wave tube laboratory," which is located in the Beijing Military Region, has made countless examinations and tests on the nuclear effects, and collected a vast amount of first-hand scientific data to promote the study of atomic defense and civil air defense projects.

The Beijing Military Region, the Shenyang Military Region, and the Jinan Military Region are the three military regions surrounding Bohai, which is a defense sector of the North China Sea Fleet. In Bohai, the logistics, engineering, and communications departments of the Navy have established a systematic and automatic command and management project, which is capable of conducting large-scale and long-range information processing and transmission, command, and management. It has a five-networks topological structure and a high-resolving power and large-screen graph system. The North China Sea Fleet has carried out many large-scale, deep-sea exercises. Its submarines have also made experiments on the launching of underwater guided missiles.

Yuncheng, a city in the south of Shanxi Province under the command of the Beijing Military Region and on the north of Zhongtiaoshan, Shangxian County of Shaanxi Province under the command of the Lanzhou Military Region, Dengxian County of Henan Province under the command of the Jinan Military Region, and Gucheng of Hubei Province under the command of the Guangzhou

Military Region form a chain surrounding and protecting Yingcheng, an emergency military supplies center.

The Beijing Military Region has long since taken preparatory measures for fighting on two fronts or for being attacked from behind. To deal with land or air attack from the north, it has established a radar remote sensing reconnaissance system; to deal with attack from the sea, it has established a shore-to-sea radar alarm system and an electronic countermeasures system.

The Shenyang Military Region

In history, the areas protected by the Shenyang Military Region were always those coveted and contended for by Japan and the Soviet Union. In many previous Russo-Japanese wars, these areas were included in their spheres of influence.

After occupying Korea, the Japanese imperialists further seized Northeast China and used it as a gangplank to launch the war of aggression against China.

The areas under the command of the Shenyang Military Region include Liaoning, Jilin, and Heilongjiang provincial military districts in northeast China.

The Shenyang Military Region is a base of China's military industry. The Shenyang Munitions Factory and the Chongqing Munitions Factory in southwest China are major conventional weapons production units.

The Shenyang Artillery Science and Technology Research Institute has achieved gratifying successes in the research into anti-tank missiles. It has participated in the testing of the "302" anti-tank missile system many times. Liu Jingsong, commander of the military region, has rich experience in using anti-aircraft guns and anti-armor weapons of the air defense units in actual combat. He also has a good professional knowledge of low-altitude target acquisition radar, artillery aiming radar, and firing command devices. He often puts forth constructive proposals to the Artillery Science and Technology Research Institute for improving weapons.

The Harbin Military Engineering Institute provides the military region with cadre and technological resources. It has made outstanding contributions to the national defense construction of the Shenyang Military Region.

At the beginning of 1986, the Shenyang Region established a ground and air force joint training area to improve training for its air units, tank divisions, motorized troops, and anti-aircraft units and to help them acquire the concept of viewing triphibious and combined warfare as a whole.

In September 1987, the military region conducted an exercise on resisting the partial invasion of the enemy. The participating arms and services included air units, anti-aircraft units, anti-tank units, armored units, electronic warfare units, and boat and bridge units. The military region has always maintained action readiness.

As this military region is in a border area far from central China, its strategic plan is to extend in time, its fighting and resisting capability deep into an invading country.

The Jinan Military Region

The Jinan Military Region has the Shandong and Henan provincial military districts under its command. In this region, there are many naval ports, including China's largest manmade naval port facing Lingshan Island, which is linked with Jiaonan County by a high-quality highway network and railway lines. Thus, a perfect rear service network has been established, providing the Chinese fleets with a satisfactory supply and maintenance base.

The three armed services of the Jinan Military Region have often carried out training in triphibious warfare. They have mastered the basic tactics of combined operations of various arms and services and all kinds of battle ships.

Being an outpost on the north of Huanghai, the Shandong Peninsula is of vital importance to China's national defense. Therefore, it has an accurate and sensitive radar network and effective countermeasures to protect it from interference.

There are three ways to get into Henan Province from Shandong via Shangqiu, Lankao, and Puyang. Then, by crossing the Tongbaishan, it is easy to get to Yingshan of Hubei Province, which is an outpost of Yingcheng, the wartime emergency supplies center of the Central Military Commission of the CPC Central Committee.

In some areas of this military region, including Jining and Taian of Shandong Province and Luoyang and Zhengzhou of Henan Province, there are many small, third-line military factories, making the distribution of China's military factories more rational. They provide favorable conditions for the military region to always maintain action readiness.

The Lanzhou Military Region

The Lanzhou Military Region has under its command the Gansu, Shaanxi, and Qinghai provincial military districts and the Ningxia and Xinjiang regional military districts.

The Soviet Union is the most powerful military power of China's neighboring countries and the greatest threat to China. The Lanzhou Military Region is contiguous to the Soviet Union, which glared at Xinjiang like a tiger eyeing its prey in the past. Moreover, as Xinjiang is an autonomous region inhabited by many minority nationalities, there are often disputes among various nationalities in this region. When nationality disputes are inappropriately handled, they may easily become a fuse touching off large-scale turmoil. Therefore, the Lanzhou Military Region is shouldering heavy tasks in dealing with both internal and external affairs.

Shaanxi, Gansu, and Ningxia are also main areas for the construction of the third-line military projects.

Like the Chengdu Military Region, the Lanzhou Region has also established an effective strategic command system and an automatic combat command system to ensure the counterattack capability of the strategic nuclear forces.

Meanwhile, the Lanzhou Military Region has also established an extended civil air defense system and an underground communications center from Xinjiang and Qinghai to the interiors to protect the life and security of the people.

As most areas of the Lanzhou Military Region have long been separated from the outside world and, in addition, there are restrictions in geographical environment, most parts of this region have still not been opened to the outside world. Therefore, embargos and blockades are meaningless to this region. For this reason, China has established in the depths of this region, an underground defense system and a nuclear weapon's launching center, making it a military power not to be ignored nor bullied.

The Nanjing Military Region

The Nanjing Military Region has under its command the Shanghai Garrison Command and the Fujian, Jiangxi, Jiangsu, Zhejiang, and Anhui provincial military districts.

The long coastal lines of the Nanjing Military Region face the other side of the Taiwan Strait. Both sides have been in a state of confrontation for a long time. Thus, in order to protect its long coastal lines and islands, the Nanjing Military Region has to develop the three armed services—the ground force, the navy, and the air force—simultaneously. The close coordination between the three services has become a major characteristic of this military region.

Shanghai is the base of the East China Sea Fleet. Naturally, Yuhuan Island and Niutoushan of Zhejiang Province have become ideal training bases for its marine corps to practice amphibious warfare. This special unit is especially good at carrying out combined operations with the other arms of the services. It has the dual ability of making quick reactions and fighting at sea.

The Nanjing Military Region, which has a comparatively good industrial basis and high technological level, is located in a area where the small, third-line military industries (referring to military industries established in coastal areas) are well developed. The large, third-line military industries (referring to those established deep in the hinterland) for national defense are mainly developed in the areas under the command of the Lanzhou and Chengdu Military Regions. But many spare parts and software are provided by the small, third-line military factories in the Nanjing Military Region.

Since the 1980's, under the leadership of Yu Lin, director, and Zhang Chiping and Xi Bingwu, deputy directors, of the national defense office, the Shanghai Garrison Command has developed many advanced weapons and precision, national defense equipment. It has often made breakthroughs and created new things in improving the quality and changing the generation of national defense products, thus filling many gaps in China's national defense industry.

The Chengdu Military Region

The Chengdu Military Region has the Sichuan, Yunnan, Guizhou, and Tibet provincial and regional military districts under its command. It is contiguous to Pakistan, India, Nepal, Burma, Laos, and Vietnam. It covers a vast area and has rich natural resources. It is in a very important strategic position.

In May 1964, at a work meeting of the CPC Central Committee, Mao Zedong urged the speeding up of the third-line construction in southwest China. The general project for this development was under the code name of Panzhihua. Sichuan, Yunnan, and Guizhou are all provinces in the third-line area. There are numerous outstanding strategists and scientists there, who have established large numbers of electronics industrial bases, guided missile bases, and conventional weapon factories in the high mountain ridges and deep valleys of those provinces.

Since China has engaged in bloody fights with two neighboring countries, India and Vietnam, the Chengdu Military Region is shouldering the heavy task of border defense. Moreover, as turmoil often occurs in Tibet, it must also assist the public security, procuratorial, and judicial departments in maintaining public order.

The Chengdu Military Region has carried forward the tradition of the Southwest Military Region established in the initial post-liberation period, and is in charge of military information work against the permeation of enemy special agents from outside.

In the field of military communications, the military region has also established a perfect communications network. If a nuclear war breaks out, it will be able to survive independently and conduct command in combined operations with various arms of the services.

The Guangzhou Military Region

The Guangzhou Military Region commands the Guangdong, Hainan, Guangxi, Hubei, and Hunan provincial military districts.

Located in China's strategic frontier areas, this military region is faced with the main threat from the superpowers and the latent threat from other countries.

With the development of reform and opening up to the outside world, this military region is also faced with other sharp problems, such as the weakening of the "sense of crisis" and the slackening of the national defense concept.

In future wars, new weapons such as energy-concentrated nuclear weapons, photoelectric weapons, and biochemical weapons, will be used on the battlefields. Only by taking the offensive can we effectively protect ourselves.

At present, some fixed-orbit electronic reconnaissance satellites of foreign countries are monitoring the broadcast and radar signals of the Guangzhou Military Region Radio Station and collecting concrete data from the region. Therefore, the most important task of the military region is to maintain secrecy in some major fields, including command and protection projects, the communications center, and the storage of strategic guided missiles.

Guangxi Province under the command of the Guangzhou Military Region is contiguous to Vietnam. However, even to this day, China has still not solved its disputes with Vietnam on the sovereignty of the Nansha Islands, an issue left over from history. For this reason, the maintenance of territorial integrity has also become an important task of the Guangzhou Military Region.

As this military region supported Vietnam in the war against the United States, Vietnam has a good knowledge of the deployment, mode of operations, and supporting system of the PLA in south China. Thus, the region is also faced with a serious problem of readjusting its entire strategic plan.

A characteristic of the Guangzhou Military Region is that it has made an excessively optimistic appraisal of the situation, lacking a sufficient understanding of the danger of war.

Judging by its name, people may easily think that Guangzhou is the nerve center of the Guangzhou Military Region. But in fact, it is not. For security's sake and for maintaining secrecy, the wartime command center of the Guangzhou Military Region is established in Hubei Province. Hubei Province borders on Sichuan Province under the command of the Chengdu Military Region and is adjacent to Jiangxi and Anhui under the command of the Nanjing Military Region, contiguous to Henan under the Shandong [as published] Military Region [referring to the Jinan Military Region], and backed by Shaanxi under the Lanzhou Military Region. Judging from its geographical position, this province is the heart and nerve center of China in the military field. The well-known Yingcheng Command Center (that is, the second emergency command center) is established right in this province.

Distribution of the 24 Group Armies of the CPC

Group Armies	Place Stationed
The Beijing Military Region	
The 24th Army	Chengde, Hebei Province
The 27th Army	Shijiazhuang, Hebei Province
The 28th Army	Datong, Shanxi Province
The 38th Army	Baoding, Hebei Province

**Distribution of the 24 Group Armies of the CPC
(Continued)**

Group Armies	Place Stationed
The 63th Army	Taiyuan, Shanxi Province
The 65th Army	Zhangjiakou, Hebei Province
The Shenyang Military Region	
The 16th Army	Changchun, Jilin Province
The 23d Army	Harbin
The 39th Army	Yingkou, Liaoning Province
The 40th Army	Jinzhou, Liaoning Province
The 64th Army	Benxi, Liaoning Province
The Jinan Military Region	
The 20th Army	Kaifeng, Henan Province
The 26th Army	Laiyang, Shandong Province
The 54th Army	Xinxiang, Henan Province
The 67th Army	Boshan, Shandong Province
The Nanjing Military Region	
The First Army	Huzhou, Zhejiang Province
The 12th Army	Xuzhou, Jiangsu Province
The 31st Army	Xiamen, Fujian Province
The Guangzhou Military Region	
The 41st Army	Liuzhou, Guangxi Region
The 42d Army	Huiyang, Guangdong Province
The Chengdu Military Region	
The 13th Army	Chongqing, Sichuan Province
The 14th Army	Kailiao, Yunnan Province
The Lanzhou Military Region	
The 21st Army	Baoji, Shaanxi Province
The 47th Army	Lintong, Shaanxi Province

Disposal of Troops of Various Military Regions

Military Region	Arm of Services	No. of Army	No. of Division	No. of Brigade
Beijing	Group Army	6		
	Infantry		20	
	Tank Forces		2	4
	Artillery		2	4
	Antiaircraft			
	Artillery		2	6
Shenyang	Group Army	5		
	Infantry		15	
	Tank Forces		3	2
	Artillery		1	5
	Antiaircraft			
Jinan	Group Army	4		
	Infantry		13	

**Disposal of Troops of Various Military Regions
(Continued)**

Military Region	Arm of Services	No. of Army	No. of Division	No. of Brigade
	Tank Forces		2	2
	Artillery		1	2
	Antiaircraft			
	Artillery			4
Nanjing	Group Army	3		
	Infantry		11	
	Tank Forces		2	1
	Artillery		1	3
	Antiaircraft			
Guangzhou	Group Army	2		
	Infantry		6	
	Tank Forces			2
	Artillery		1	2
	Antiaircraft			
Chengdu	Group Army	2		
	Infantry		7	
	Tank Forces			2
	Artillery		1	2
	Antiaircraft			
Lanzhou	Group Army	2		
	Infantry		12	
	Tank Forces		1	1
	Artillery			3
	Antiaircraft			
	Artillery			3

Article Urges Care for Disabled Soldiers

HK0608145390 Beijing RENMIN RIBAO in Chinese
20 Jul 90 p 4

[Article by Fan Baojun (5400 1405 0193), vice minister of civil affairs: "Continue To Do a Good Job in Giving Special Care to Disabled Servicemen and Family Members of Revolutionary Martyrs and Servicemen and in Placement of Demobilized Soldiers"]

[Text] The work of giving special treatment to the disabled servicemen and family members of revolutionary martyrs and servicemen and making arrangements for the placement of demobilized soldiers has developed gradually along with the new democratic revolution and socialist construction. Doing a good job of the special treatment and placement work is of great immediate significance in reinforcing national defense.

boosting morale, strengthening the whole society's sense of supporting the army, and promoting national economic construction and social stability and unity.

Judging from the practice of the special treatment and placement work during the period of socialist construction, the work has many functions. We can strengthen unity between the army and the government and between the army and the people by vigorously launching activities to support the army and give preferential treatment to families of revolutionary soldiers and martyrs; we can make proper arrangements for the placement of the compulsory servicemen, voluntary soldiers, wounded and disabled soldiers who are released from military service, and retired officers by adopting numerous special treatment and placement policies, such as giving jobs to demobilized soldiers from urban areas, helping demobilized soldiers from rural areas solve practical problems or find new employment, letting retired officers rest in a decentralized or centralized way, giving the wounded and disabled revolutionary soldier relief, jobs or supporting them; we can secure the lives of tens of millions of people entitled to special treatment by using the method of combining special treatment by nongovernmental institutions and allowances by the state; we can carry forward the glorious traditions and achievements of our party and army by praising the martyrs and erecting memorials to revolutionary martyrs; and we can ensure daily living necessities of the troops while they are relieving garrisons and conducting training, executing urgent tactical tasks, and doing rescue and relief work. All these have played an important role in helping servicemen free their minds from worry about the future and promoting army building. To sum up, during the peacetime construction period, the special treatment and placement work directly plays an important, uniting, consoling, inspiring, and educating role.

The 1990's are an important period of development for the special treatment and placement work. We should serve the vast numbers of people entitled to special treatment, army building, and reforms wholeheartedly, with the party's basic line of "one center, two basic points" as the guideline, closely centering around the strategic thinking of giving play to the stability mechanism.

It is necessary to bring the work of supporting the army and giving preferential treatment to families of revolutionary soldiers and martyrs as well as giving special treatment to the disabled servicemen and family members of revolutionary martyrs and servicemen and of making arrangements for the placement of demobilized soldiers into line with the general plan for national defense education among all citizens, combine the work of supporting the army and giving preferential treatment to families of revolutionary soldiers and martyrs with education in patriotism, and mobilize the whole society's enthusiasm for conducting activities to love the

country and support the army, with patriotism as the main theme for publicizing our special treatment work and ideological work.

All effective, good traditions and methods of the work to support the army and give preferential treatment to families of revolutionary soldiers and martyrs, such as commending the advanced and conducting activities supporting the army and giving preferential treatment to families of revolutionary soldiers and martyrs during the 1 August Army Day, New Year's Day, and the Spring Festival should continue, with their contents constantly upgraded and replenished, and methods improved. It is necessary to carry out "two-way education," encourage the offering of "two-way service," namely, to conduct education in supporting the army and to give preferential treatment to families of revolutionary soldiers and martyrs throughout society. It is necessary to actively support army building and offer service in helping people entitled to the special treatment work to eliminate trouble and solve difficulties. It is also necessary to conduct education in preserving and carrying forward the revolutionary traditions and education in rights and duties among this type of people, and encourage them to make contributions to the four modernizations.

We should take various forms to vigorously give greater publicity to and conduct more education in the laws and regulations concerning the special treatment and placement work and establish necessary supervisory mechanisms so as to ensure the implementation of the laws, regulations, and policies concerning the special treatment and placement work.

We should continue to adhere to the working system of combining the state, the community, and the masses and promoting the socialization of the special treatment work so as to make sure that the mass activities to support the army and give preferential treatment to families of revolutionary soldiers and martyrs can be carried out in an extensive, deepgoing, and down-to-earth way. It is necessary to categorize people entitled to special treatment and define the priorities of the special treatment work. The key people to be taken care of by the state must be members of revolutionary martyrs' families, wounded and disabled soldiers, veteran Red soldiers, and the old demobilized soldiers who live in extraordinary strained circumstances in their home villages. As for the families of soldiers, they should be given special treatment mainly by nongovernmental institutions and appropriate economic allowances.

In finding jobs for demobilized soldiers from cities and towns, it is necessary to persistently adhere to the practice of assigning tasks according to different departments and putting the placement work on a contract basis. We should work out special policies toward the placement of the wounded and disabled soldiers and adopt a state mandatory method in this regard. The placement of demobilized soldiers from the rural areas is still the priority of the placement work in a period of time to come. Therefore, we should conduct education in rights

and duties among demobilized soldiers, with a certain objective in mind, so that they will have the cardinal principles in mind and take the overall situation into account and not make too high a demand of the government.

The placement work of retired military cadres should be actively explored and improved on the premise that the current policies are stabilized. Recipient units should do a good job of the service and management of retired military cadres. Active efforts should be made to create conditions, bring the political superiority of old cadres into play, and help them participate in the construction of the two civilizations so that they will have something to accomplish and have a good time in their remaining years.

Economic & Agricultural

Problems in Reform, Open Policy Outlined

HK0708134890 Hong Kong ZHONGGUO TONGXUN SHE in English 1105 GMT 7 Aug 90

[By Si Wei: "China's Ongoing Open Policy Beset With Difficulties"—ZHONGGUO TONGXUN SHE headline]

[Text] Beijing, August 7 (HKCNA)—In the ten years that China has pursued her open policy, she has developed many thousands of foreign-invested enterprises whose aggregate industrial output comes to something like 30 billion yuan.

Such enterprises form a north to south coastal belt of open economic regions with a total area of some 320,000 sq. kilometres. Over ten economic developing zones together with the five special economic zones have achieved and continue to achieve great and concrete successes.

Yet there are difficulties in the path of ongoing reform and the practice of the open policy. Three main problems can be cited.

First, there is a lack of capital resulting in contracting national infra-structures and retrenching of financing, both of which are troubling projected construction plans in the developing regions. Added to this, 1992 will be the climactic period for many of the developing regions to repay loans and this will add great difficulties to the operation of enterprises which are already in a state of low economic effectiveness and poor income.

Second, the over-emphasis on quantity is leading to a decline in quality. People are thus more eager to buy imported goods. According to statistics from the Customs Department, the imported value of mechanical goods increased from U.S.\$4.2 billion in 1983 to U.S.\$20.6 billion in 1989. China is a country which places a greater reliance on imported goods than the U.S., Japan or India. Excessive importation of foreign goods has led to overstocking of national products.

Investments made in China's developing regions over the past five years total RMB 4 billion, but profit taxes have amounted to only RMB 1.5 billion. This is due to too rapid development which results in low cost effectiveness. Lack of capital has further dragged down the building up of the developing regions.

Third, there is blind competition among the developing regions which weakens the centrally administered preferential policy. In recent years, the developing regions have been competing with one another over individual favoured policies, resulting in the over-renewal of the land use policy, excessive decreases in duty and land sales set at very low prices to attract foreign investments.

In view of these problems, some economists believe that it is necessary for the overall economic framework to undergo readjustment to bring new strategies into play and new policies to truly promote the growth of the nation's open and reformed economy.

Article Views Nation's Economy, Price Reform

HK0708133590 Beijing JINGJI CANKAO in Chinese 22 Jul 90 p 1

["JINGJI CANKAO Forum": "Steadily Develop the National Economy, Safely Carry Out Price Reform"]

[Text] Through implementing the principle of rectification and improvement, and in deepening reform, our country has made marked achievements in the economic area. This is mainly manifested in the fact that the rate of inflation has been brought under control, that marked progress has been made in tackling inflation, that a great amount of money has been withdrawn from circulation, and that people are at ease. With the improving economy, the market is improving in addition to stabilizing. Therefore, we can put it this way: China has passed the most difficult economic period, walked out of the ebb, and started to develop in a positive direction.

In the past, when we talked about the economy developing in a good direction, we referred to the tendency and possibility, now we refer to the result, and to the effect of controlling the total quantity. At present, the figure of economic growth has begun to rise. In May, the economy in the whole country increased by 4.2 percent over the same period of last year; in June, by 5.0 percent; in the second half of this year, it can be predicted that there will be a tendency for economic growth, compared with the same period of last year, and this is because the base of last year was low. At the same time, in the first half of this year, the situation of export was relatively good, and exports increased, imports decreased, enabling foreign exchange reserves to greatly increase. This situation of the economy gradually developing in a positive direction can be seen by the great masses of cadres and people, and everyone has this feeling too, therefore it further enables the people to establish faith in the CPC Central Committee's and the State Council's

principle of rectification and improvement and of deepening the reform, and this lays a good foundation for economic, political and social stability.

When we talk about stability, we cannot avoid price stability, because the masses of people often judge the situation by looking at whether the price is stable, and often take this as a criterion for judging whether the economic situation is good or bad. At present, the price index in the whole country is comparatively low, and under this condition, it is a good chance to straighten out the price. Price reform is still an important task when we deepen the reform. In the past, the mistake we made in price reform was that we pushed too hard, the masses of people could not bear it, and there was a lack of endurance. We do not mean that the price should not be straightened out, but we mean that we must look for chances, choose varieties, and go step by step. For example, when the price is relatively low, we can announce one or two measures for price adjustment. In fact, since we have implemented the rectification and improvement, we have already adopted several measures for adjusting price. The railway has very smoothly adjusted price twice, and the masses of people could accept that too. Therefore, on the problem of price reform, so long as we can learn from the past lesson, prepare adequately, and fully consider the endurance of enterprises and the masses of people, we can implement reform measures smoothly.

Raising Economic Returns Key to Development

HK0508052090 Beijing RENMIN RIBAO in Chinese
26 Jul 90 p 2

[Article by Chi Haibin (6688 3189 3453): "Economic Work Should Take Improving Economic Results as the Key Link"]

[Text] Abstract: The problem of economic results is the central one in economic development. It is necessary to convert the traditional investment method of increasing product quantity into investment designed to increase national income. Genuine production is that which creates new value through labor. An important cause of the low economic results at present is the disproportionate relationships among some of the major sectors of the national economy. We must rely on technology in improving economic results, and pay great attention to production organization to release the great potential in existing productive forces. As production becomes increasingly modernized, management becomes increasingly important. The contract system should promote scientific management. [end abstract]

The problem of economic results is central to economic development and concerns people's material well-being, economic and political stability, the progress of the socialist system toward victory, and our rise and fall as a people. The 13th National Party Congress has determined that economic results is an aspect of economic development strategy and has set the task of "resolutely

pursuing the strategy of paying attention to economic results and improving quality, and achieving coordinated development and stable growth." As economic ideology changes, economic results have become increasingly important as a goal. However, vast amounts of arduous propaganda, education, and organizational work are needed for this important policy to be implemented in and become the criterion for all economic work. During the decade of reform the economy has changed a lot. And one of the important strategic missions for current economic work is to start with the new reality, sum up experiences, deepen reform, and build a set of new macroeconomic and microeconomic management methods adapted to the new reality, with the goal of effectively launching the whole of economic work on a course that takes raising economic results as the center, thus launching the national economy on sustained, stable and coordinated development.

One, Ensure by All Means That Everyone Focuses on the Problem of Economic Results

The purpose of socialist production is to satisfy people's needs for material civilization. Only by paying attention to economic results and creating new wealth through production can people's welfare be improved. The more new value we create the faster the people's material livelihood improves; on the other hand if we create less and less value, the improvement of material livelihood will slow or even halt. Our party wholeheartedly serves the people and does everything for the people. If comrades charged with economic work neglect economic results, they will in effect be deviating from the purposes of socialist production and the principle of wholehearted service for the people. So there is the need to launch sustained propaganda and educational work to drive home the importance of economic results among the population. The wide mass of cadres should understand the nature of economic results and take note of them in all kinds of economic work. It is not enough to merely educate cadres. There should be propaganda and education for the wide mass of workers. Workers are masters of enterprises and direct participants in production. The quantity and quality and amounts of depreciation in production all depend all workers' motivation and sense of responsibility. To mobilize workers' motive force, a proper labor and reward distribution policy is needed, an education in economic results and a sense of being master of the country, so that workers will understand that our low living standard is due to our low economic development level and poor economic results. To change this situation, we have to rely on our own labor to raise product quality and reduce raw material depreciation and cost. Formally speaking, production wastage means losses for the state and enterprises; but in fact it is the loss of workers' efforts. It is necessary to make workers understand this truth and realize that they must create future wealth with their own hands. To achieve this, we must conduct education at various kinds of schools, so that each citizen will develop the virtue of caring for public property, economic results, and struggling for national wealth and power.

Two, Change Investment Targets

It is necessary to convert the traditional investment method of increasing product quantity into one designed to increase national income. Classic Marxist writers tell us that only that which creates new value through labor is genuine production, and only this kind of production can increase the people's material welfare and help society develop. Therefore our investment should take as the goal the creation of as much new value as possible. It must revolve around the expansion of national income and consider carefully, when actually making investment decisions, economic results-related factors such as a rational industrial pattern, combined use of resources, plants' scale of economy, the development of cheaper materials to replace high-priced materials, and the adoption of new technology. In this way economic results will improve considerably.

Generally speaking, it is correct to satisfy increasing demand by expanding supply. However the practice of economy can achieve the same end. In analyzing capital flow, Marx points out: "Genuine economy—saving—is economy of labor time (the minimum production cost, and the process of dropping to the minimum). And this kind of saving is equivalent to the development of productive forces." ("Collected Works of Marx and Engels," Volume 46, Book Two, p 225). Economy is another form of production—the significance of this truth cannot be underestimated. For example, there has appeared a kind of rare-earth energy-saving fluorescent light with increased light current. The power consumption of a seven-watt rare-earth energy-saving fluorescent light, including its ballast, is 11 watts, but it is as bright as a 40-watt light bulb and saves 72.5 percent in energy. About 7.2 percent of national power generation now is used for lighting. According to this calculation, if energy-saving lamps had been used last year, 30 billion kwh out of the 41.9 billion kwh of power generation for lighting last year would have been conserved, equivalent to the annual power generation of a 6 million-kw generator. Now the construction of a power plant of equal capacity requires a 12-billion-yuan investment. This, plus the 5.4 billion yuan invested in the construction of a coal mine with annual production capacity of 18 million tons of coal to supply the power plant with fuel, would add up to 17.4 billion yuan. Experts say converting lightbulb factories and extending energy-saving lights would require much less investment than building a new thermal power plant.

Three, Make Efforts To Achieve a Synthesized Equilibrium in the National Economy

The main cause for the present low economic results is imbalance among important sectors in the national economy. Historical experience shows that in periods of coordinated economic development there are high economic results, for example during the "First Five-year" period and toward the end of the "Three Year-Adjustment Period"; and in periods of serious imbalance among segments of the national economy, economic

results decline. To raise economic results, we must work harder to achieve synthesized equilibrium in the national economy. Specifically, we must tackle the following problems.

1. Take a good grip on the essential nature of economic plans. Economic plans here are not ordinary planning for economic development targets. They should serve to coordinate the proportionate relationships between the major sectors in economic development.

2. Handle well the relationship between the planned economy and market regulation. Premier Li Peng's opinion that "the planned economy should be organically unified with market regulation" is very scientific. Viewed philosophically, the relationship between planning and the market is such that the market is a place that unifies demand and supply, reflects objective demand, and exists objectively, while economic planning is man's subjective consciousness. Correct planning should be able to basically reflect objective market demand and take it as the indicator. When there is change in the market, planning should make necessary adjustments according to the changed market. Generally speaking planning must obey market demand. Of course planning is not inactive or passive. In a certain sense the market must obey planning. Under the socialist system the two are unified, and not mutually exclusive.

3. Handle well the relationship between long-term plans and annual plans. Long-term plans should be given a primary status to be assisted by annual plans. Because the cycle of infrastructural construction is relatively long. If proportionate relationships between important sectors in long-term development plans are not in balance, it will be very hard to coordinate annual plans. On the other hand if proportionate relationships in long-term plans are well coordinated, coordination among annual plans will be much easier. To achieve coordination in proportionate relationships in long-term plans, we should change fixed-period long-term plans into continuous long-term plans overlapping each other.

4. The "Eighth-Five Year Plan" will focus on adjustments to the production structure. Increased investment, which includes bank-issued loans for investment in fixed assets, will be given to adjusting the production structure and technological renovation in export industries in the hope that, after several years of efforts, the production structure will be put in order. In adjusting the production structure we must consciously employ the law of value and, in a steady fashion, conduct price reform.

5. There must be reform in the investment system. Investment by individual departments should be changed to combined investment packages within projects.

6. We must explore methods which can be effective under new economic conditions. After a decade of economic reform the nation's economy has changed in important respects, and this brings difficulties and new topics to economic planning. A considerable amount of

investment must come under centralized state distribution if the planned economy is to be viable. It would be very difficult if we continued with the old economic planning method, which uses up to only about 15 percent of the total fixed-asset investment of the whole society (including state infrastructure projects funded by foreign debt raised centrally by the state). Under the new situation, we must pursue an economic system which effectively combines the planned economy with market regulation. There must be a study on putting a considerable proportion of bank fixed-asset investment loans under state planned investment programs. Banks for their part should be ready to adapt to the requirements of an economic mechanism which features the planned economy and market regulation, and improve their management over fixed-asset investment loans.

Four, Raise Economic Results by Means of Technological Progress

Premier Li Peng points out in the Government Work Report: "Whether in overcoming present economic difficulties or realizing long-term and sustained national economic development, we must attach great importance to and seriously advance scientific and technological progress." This is very important. Under today's scientific and technological development, no country will enjoy a future for its economic development if it does not rely on technological progress. A look at the history of international economy and technological development since Britain's Industrial Revolution will show that on the economic front alone, scientific and technological progress has effectively promoted economic development. Each important scientific and technological invention has advanced productive forces, raised economic results, and increased people's material well-being. Take grain production as an example. By the 1940's, after thousands of years of farming, per mu grain yields in developed countries amounted to just 150 kg or so. But since the 1950's, thanks to scientific and technological progress in breeding, fertilizers, prevention and treatment of plant diseases, and water conservancy, per unit area yields have increased by 50 kg or so every 10 years, and per mu yields for the last 30 years have doubled. This holds true for China. Per mu grain yields were 91 kg in 1949 and 275 kg in 1980. It is hard to imagine how the earth can support its population of 5 billion without scientific and technological progress. "Science is productive forces." Science and technology is increasingly important for production factors as it develops, and great attention must be paid to the extension and application of new technology. There is not yet an effective competition mechanism in our economy, and application of new technology is not sufficiently rapid. Every year the state has to screen a number of new technologies of relatively wide application and with better economic results, which the state will vigorously promote. Financial departments and all those concerned must all actively support scientific research and the extension and application of new technology. With perseverance we can produce enormous economic results and vastly strengthen economic vitality.

Five, Systematically Organize Productive Forces

The development of productive forces gives rise to division of labor, whose development in turn further promotes productive forces. The division of labor objectively requires that productive forces be organized. If not, production potential cannot be fully tapped. The productive forces in developed capitalist countries, after hundreds of years of competition and probes, have become highly organized. A vast number of medium- and small-scale enterprises with large-scale ones as the core have formed a multi-layered, specialized and coordinated production mode. This kind of production organization helps technological progress and favors production that is highly efficient, low in depreciation, high-quality, and low in cost. We do not pay much attention to the organization of productive forces. Many enterprises are eager to be the "lead" parts and want to enjoy the complete production range irrespective of their scales. They do not want to be a "supporting cast." Productive forces are poorly organized, which works against technological progress, inevitably producing results that are high in input and low in output, high in depreciation and low in economic results. We cannot take the old beaten path trodden by capitalist countries, spending long years in competition to slowly organize productive forces. We must give play to the superiority of the socialist system and explore ways to effectively organize productive forces, employing both economic and administrative methods, and thus create tremendous economic results. Toward the end of 1970's, Shanghai Standardized Corporation organized 20 or so plants and launched them in specialized production. Staff were reduced by 30 percent while output increased 10-fold. In the same period, the Shanghai alarm clock industry also pursued specialized production, with the result that copper material was reduced by 35.2 percent, steel wire 54.5 percent, and cost 25 percent. Leading departments at various levels must attach great importance to this work and slowly organize productive forces to release existing production potential and raise economic results.

Six, Strengthen Enterprise Management

Enterprise management organizes productive forces within the enterprise and is one of the factors of production. The more modernized and the larger production becomes, the more important management is for productive forces. Developing productive forces without paying attention to enterprise management is like building castles in the air. The enterprise contract management and responsibility system helps mobilize the motive force and improve internal management. But contracts cannot stand in place of scientific management. In many enterprises contract management has become the management. Management work is long outdated, resulting in poor products, high depreciation, and poor economic results. Enterprise management work should be centered on quality and cost control and should organize technology, equipment, labor, and material management

well in relation to this center. The vitality and competitiveness of an enterprise chiefly depends on good products and cheap prices. Good products mean good quality, including good capacity, advanced technology, and new design. Raising product quality gives society the largest benefit. All enterprises must raise product quality with all its means, for the interests of the country and the people. Pursuing local enterprise interests in disregard or at the expense of social interests is not what a socialist enterprise is supposed to do, nor is it civilized commercial behavior in capitalist countries. To get a low price, cost must be low. Cost is one of the important indicators of the combined economic results of an enterprise and reflects the depreciation level of human labor and materials consumed in production. Cost levels vary inversely with economic results. When cost is low, results are high, and vice-versa. Therefore enterprises must pay particular attention to cost management, build a scientific cost management responsibility system, rely on the masses, raise labor productivity with every means, reduce raw material, fuel, and engine power consumption, save expenditures, and reduce cost to the minimum. There is great potential for cost reduction. The cost of industrial enterprises above the township-level across the country amounts to 1 trillion yuan or more. A one percent drop in cost means a 10-billion-yuan reduction. It is estimated that, following the efforts of cadres and workers throughout the country, it is entirely possible to cut costs by five percent, which means an increase of 50 billion yuan in social wealth within a year. This is a huge sum of money that will accomplish much if used for improving people's livelihood, developing education, and for economic construction.

Jiang Says 'Radical Reforms' Not Planned

HK0708022390 Hong Kong HONGKONG STANDARD
in English 7 Aug 90 p 5

[By Cheung Po-Ling]

[Text] Chinese Communist Party chief Jiang Zemin said Beijing would not adopt "radical reforms" in the Eighth Five-Year Plan and 10-year development programme for the 1990s, according to sources.

They said Mr Jiang made the remark at an internal meeting to discuss economic reforms and their extent.

The meeting, held before Mr Jiang visited Tibet last month, resolved that economic reforms should be implemented in a "prudent and modest" way, sources said.

Mr Jiang was quoted as saying the role of reform in the economic programmes should be boosted but the pace should not rock stability.

Analysts said the proposals, made by the moderate faction of economic planners who drafted the two development blue-prints, stood a high chance of winning the approval of the top leadership at the party's seventh plenum to be held after the Asian Games.

They said the liberal camp had advocated that the state should delegate more power to the regions and to individual businesses on prices. However, it was decided that state subsidies, to maintain artificially low prices, would remain.

"The leaders are deeply concerned that any radical changes would plunge the country into chaos," said one analyst.

The drafting work of the plans is conducted by the State Planning Commission, the State Commission for Restructuring the Economy and the Development Research Centre under the State Council.

There are three major camps attempting to influence the drafting. One is led by Li Yining, a Beijing University professor and proponent of a system of stocks and shares; one by Wu Jinglian, head of the economic trends section of the research centre; and one by Liu Guoguang, vice president of the Chinese Academy of Social Sciences.

Mr Li has said Beijing should develop the securities market to solve the nation's financial predicament.

He said a stock system would promote efficiency and increase revenue. It would also help price reforms and allow ailing businesses to be taken over by stronger ones.

Mr Wu has called for greater price reform and the introduction of market mechanisms to invigorate the wholesale and retail sectors.

He said the present price structure encouraged the irrational industrial structure. He said artificially low prices of some materials have impeded the development of certain industries while heavy subsidies on grain and other products have encouraged waste.

Analysts said Mr Liu, who heads the moderate faction of economic planners, was likely to win favour in Beijing.

Mr Liu has proposed that reforms should be stepped up gradually and major reforms only be introduced after two or three years.

He said deeper reforms were needed to end the irrational economic system but warned that any price reforms should be "cautious" ones.

Report Shows Economic Situation Still 'Grim'

HA 0808060190 Beijing ZHONGGUO XINWEN SHE
in Chinese 1231 GMT 31 Jul 90

[Roundup: "China's Industrial Economy Still Faces a Grim Situation"]

[Text] Beijing, 31 Jul (ZHONGGUO XINWEN SHE)—A report provided by the State Statistics Bureau today held that although there was an upturn in China's industrial production in the first half of this year, the industrial and economic situation as a whole is still rather grim.

The accumulated total industrial output value of the country in the first half of the year reached 925.4 billion yuan, which was an increase of 2.2 percent over the same period of last year. It indicated a new trend of steady growth after the low-rate growth (or even decline) since September 1989.

Thanks to the readjustment carried out last year and the credit increase this year, production in township enterprises has been greatly increased. The accumulated growth rate of township enterprises in the first half of the year increased by 5.8 percent. After reducing the growth rate in the second half of last year, production in the industrial enterprises of other economic types, with the "three kinds of partially or wholly foreign-owned enterprises" as the main body, achieved a rapid upturn in the first half of this year, and a high-rate growth was continued. The accumulated growth rate of these enterprises reached 39.7 percent. However, the accumulated growth rate of the industrial enterprises owned by the whole people was only 0.5 percent, making up only 0.31 percentage point of the total industrial growth rate, which was 2.2 percent.

On the other hand, there has been no significant change in the weak market. From January to June this year, the total volume of retail sales of consumption goods dropped by 1.9 percent, and the overstocking of commodities, including light industrial products, mechanical and electrical products, textile products, construction materials, and other major industrial products, and even some raw materials and fuel which were in short supply in the past, was becoming more and more serious.

The State Statistics Bureau officials held that the main reason for the overstocking of products while production was not vigorously promoted is: The product mix does not suit the demands of the changing market. Readjusting the product mix is an important task in carrying out economic improvement and rectification. Although certain headway has been made in this respect, the development is still quite slow, and the irrational in-depth structure has not yet been touched. In the first half of this year, there was a steady growth in the production of the basic industrial products. There was also an increase in the production of cotton yarn, cloth, and other basic consumer goods. But the production of some household electrical appliances dropped by a considerably wide margin due to the high price and low quality of some products, and the fact that many urban residents have already purchased what they need. Due to the changes in the demand for it, investment in the production of mechanical and electrical products and construction materials also dropped by a wide margin.

There has not been a distinct improvement in the production capacity of the energy and raw materials industries though priority has been given to their development in the course of economic improvement and rectification.

To sum up, although there was an upturn in China's industrial production in the first half of this year, there are still worrisome problems. It is obvious that the main contradictions restricting China's industrial and economic development at present are:

The contradiction between production growth and the weak market and overstocking of goods. Statistics show that this contradiction is very sharp at present and will continue to develop in the future.

The contradiction between the slow progress of structural readjustment and social demand. The statistics of some areas show that at present, unmarketable goods make up about 1/5 of all the industrial products.

The contradiction between the sliding economic returns of enterprises and increasing revenue. As the profits of the industrial enterprises dropped by a wide margin compared with the same period of last year, and the central authorities had to give more subsidies, domestic financial difficulties have been further aggravated.

In view of this situation, the State Statistics Bureau proposed that it is necessary to continue to carry out economic improvement and rectification, maintain a proper growth rate, and appropriately relax social demand, firmly grasp structural readjustment, and practice strict economy to make up deficits, increase surpluses, and increase economic returns.

The State Statistics Bureau officials held that judging from the situation of the industrial and economic field as a whole, there is still a big gap between the developments in various aspects and the targets set for economic improvement and rectification. In general, there is still not the basis for the industrial economy to develop continuously, steadily, and harmoniously, nor is it time for it to develop in full swing. At the current stage, it is still necessary to overcome the trend of being overanxious for quick results and one-sidedly pursuing high speed under the pressure of economic difficulties.

Current Economic Phenomena Discussed

HK0608105390 Beijing JINGJI CANKAO in Chinese
19 Jul 90 p 1

[Article by Chen Guangming (7115 0342 2494): "Smash the Fetters in Settling 'Triangular Debts'—Ninth Discussion on Economic Phenomena at Present"]

[Text] This is a intriguing and strange phenomenon: While the news media keeps on reporting the "glorious results" of settling "triangular debts," the mutual debt defaults as appearing in the books of accounts of quite a number of enterprises are stealthily growing "like a rolling snowball." Dalian Mayor Wei Fuhai, who is renowned throughout the country for having gone to enterprises to direct the settlement of debts, exclaimed in astonishment: The amount of debts settled with strenuous efforts is small compared with that newly owed. Former Liaoning Governor Li Changchun even sighed

with all sorts of emotions: A "debt repudiation mechanism" has already taken shape across the country, leading "triangular debts" to be aggravated to a degree beyond settlement and control.

When we probe into the psychology of both debtors and creditors through the "thin veil" behind which all parties vigorously sort out "triangular debts" in an "impressive" way, it is not too difficult to perceive the following "extraordinary" attitudes.

Attitude 1: Deliver goods even though they clearly know that no payment will be received. It is better to dispatch goods out of the factory, rather than keep them in store. Anyway, since the products are "sold" out, they can report their product values and profits realized to the higher authorities. Even though there is no income recorded in the books of accounts, enterprises can take pride in having made the sale, with rewards, promotions for workers and staff members, and welfare treatment coming in without delay.

Attitude 2: Rather than handing over to the higher authorities the payments received in debt settlement, it would be convenient to both parties if the debts are not settled by the opposite party. This is because, according to the relevant policies and provisions, upon receipt of debt repayments, 70 percent will be kept by the bank while 30 percent will be turned over by enterprises to the higher authorities for payment of taxes and profits. Efforts made by enterprises in settling debts results only in breaking the "debt chain," with the problem of funds shortage still remaining unsolved. It would be better for the enterprises to collect the debts themselves little by little later on.

Attitude 3: "Do not give up the chance of repudiating a debt if so given." First, make use of others' money to resolve your own deficiency in funds. Second, it will not be necessary to ask for loans and pay interest thereon. Some enterprises apparently have the ability to settle their debts, but they simply refrain from doing so, with the deliberate intention of taking advantage of others' funds to improve their own economic results. After all, "the law will not put the blame on everybody" and the society does not have any restraining power or means of punishment.

Due to the fact that both creditors and debtors do not have the initiative to settle debts, the bank will "draw fire against itself" in helping to settle "triangular debts" and enterprises will simply rely on the initiating capital injected by the bank to settle the "triangular debts," resulting in enterprises shifting their responsibility onto the bank.

In the final analysis, how do we break the "debt chain"? This author has extensively interviewed government, financial, and business leaders. They have reached a common understanding: "Triangular debts" are a chronic malady brought about by various reasons. Merely relying on "settlement" can hardly eradicate the evil. We must cast off the trammels of "triangular debt"

itself, and take comprehensive measures by the whole society to bring about temporary solution as well as radical remedy.

First, accelerate the adjustment of product mix and industrial structure. Irrationality in product mix and industrial structure constitutes the deep-rooted reason for being unable to smoothly conduct sales and achieve a virtuous cycle in funds circulation, and for aggravating "triangular debts." We should fundamentally change the present situation of product nonmarketability and cope with the demands of a diversified market. A task of top priority is to grasp favorable circumstances and adjust structures. As for those enterprises which are, at present, producing products in excessive supply in an attempt to achieve stability, it would be better to stop production or to switch to other production as early as possible. As for those enterprises which are producing readily marketable products, we should give them guarantees from every side.

Second, appropriately increase final consumption. Insufficiency in final consumption is a "rusty lock" in the "debt chain." We should motivate production consumption, public consumption, and living consumption. Production consumption refers to the appropriate increase in technological reform projects and investment scale with respect to capital construction and major projects. With respect to projects which were previously brought to a halt, we should speedily screen them one by one. With respect to projects having rational proportion in input and output and with high economic results, we should "give the green light" and, at the same time, ascertain capital resources. Public consumption mainly refers to institutional purchasing power. Public consumption should be put under control, but we should be flexible towards certain sectors. It is learned that the manufacturers producing big buses are inescapably caught in the mire of "triangular debts," mainly due to the restriction in institutional purchasing power and stagnant sales. Appropriate consumption should be promoted among city and town inhabitants. Now, currency in the hands of the masses is mainly withdrawn from circulation by credit, which brings to naught the role to be played by currency. This is abnormal.

Third, fully bring into play the function of the bank as an important economic lever of the state. Banks should speedily and conscientiously resume in an all-round way its function of collection of and acceptance for payment. In the operation of our economic structure with planned economy as the main body, it would be unwise to abolish the practice of collection of and acceptance for payment in accordance with the method of commodity economy and the function of collection and acceptance resumed at present is far inferior to that of the past. We should establish the system of paying fines for delayed payment by "debt repudiation units." Those who do not repay debts as scheduled should pay a fine for delayed payment at a level higher than the interest on the default amount, so as to make them suffer great loss on account of debt repudiation. We should establish a letter-of-credit

system. Units ordering goods should hold a credit card from the bank where an account has been opened and the supplying manufacturer will deliver goods against the credit card to procure prompt payment. It is necessary to prevent localization of banks. Now, bank conduct is increasingly subjected to interference by local government. In addition, some bank departments institute self-contract system and earn money for themselves. This has also promoted localization of banks. When a bank injects capital into enterprises, it should stimulate into action not only those big and medium-sized key enterprises but also those medium-sized and small enterprises with fast output and high efficiency, so that both upstream and downstream products [shang xia you chan pin 0006 0007 3266 3934 0756] can operate simultaneously.

Fourth, enterprises should extensively mobilize the masses to increase revenue, reduce expenditure, increase production and practice economy, tap potentials, and open up new financial resources.

Electrification Program Aids Rural Development

HK0408064690 Beijing CHINA DAILY in English
4 Aug 90 p 1

[By staff reporter Liang Chao]

[Text] More than 30 million rural people in this country have been lifted from poverty, thanks to a 4.1-billion-yuan (\$861 million) rural electrification programme which has brought power to 109 counties since 1982.

The industrial and agricultural output of the newly-electrified counties has more than doubled, and per capita income has increased from 203 yuan (\$43) to 620 yuan (\$131).

More than 70 per cent of the newly electrified counties were among China's poorest, with per capita income below 200 yuan (\$43) per year, the official poverty line. Many had a high percentage of minority nationalities, whose annual income was as low as 174 yuan (\$37).

The 109 counties are the first of some 1,000 counties scheduled to be electrified, according to the Ministry of Water Resources.

About 150 counties will receive power during the coming Eighth Five-Year Plan (1991-95), with another 250 to follow by the year 2000 and the remainder by 2015.

Still, most counties in China suffer from a shortage of electricity, and 31 counties with a population of 30 million have no electricity at all, a spokesman said.

Most of the newly electrified counties are in south and southwest China, where hydropower resources are plentiful. Existing power grids often did not reach remote rural villages, however, preventing them from diversifying their economies.

"Since 1978, the traditional agricultural model has no longer been regarded as the only way for rural areas to advance economically," a ministry official said.

"The rural electrification programme has focused on building more small and medium-sized hydropower stations, which are badly needed for economic growth in poor rural areas," he said.

About one-eighth of the 4.1 billion yuan spent thus far has come from low-interest state loans; the remainder has come from local authorities and local farmers.

"This is one of the best ways to bring power to these areas at a time when capital construction funds are in short supply," officials and experts concluded after a joint evaluation of the programme's social and economic benefits.

The effect of electrification on both the economies and the personal lives of rural people in the 109 counties has been dramatic.

So far this year, the total capacity of the counties' power stations has increased 74 per cent, with a peak capacity of 2.45 million kilowatts.

More than 90 per cent of the rural households in the counties have been electrified and local industries and agriculture have been assured of power for at least 330 days a year.

As a result, use of electricity has jumped from 90 kilowatt-hours(kwh) per year per person to 240, an increase of 165 per cent.

The effect will be even greater after the programme's second stage, when electricity will be delivered to all the villages and 95 per cent of the farmers in the targeted counties, the ministry official said.

By then, the annual per capita consumption of electricity is expected to double again, from 200 kwh to 400 kwh.

Testing Stations Join International Body

OW0708103790 Beijing XINHUA in English
1332 GMT 6 Aug 90

[Text] Beijing, August 6 (XINHUA)—Nine testing stations under the China Commission for Conformity Certification of Electrical Equipment (CCEE) have joined the International Electrotechnical Commission System for Conformity Testing to Safety Standards for Electrical Equipment (IECEE).

A spokesman from the Ministry of Machine Building and Electronics Industry announced this at a news conference here today.

This is a breakthrough in China's efforts to conduct international co-operation in this field, the spokesman said.

The nine stations are the Beijing Testing and Inspection Station for Household Electrical Appliances, the Testing and Inspection Station for Broadcasting and TV Products, the Shanghai Testing and Inspection Station for Low-Tension Electrical Appliances, the Shanghai Testing and Inspection Station for Electric Wires and Cables, the Shanghai Testing and Inspection [words indistinct] Inspection Station for Household Electrical Appliances and the Guangzhou Testing and Inspection Station for Electrical Security.

With certificates granted by the CCEE, China-made electrical products will be automatically acknowledged by the 25 member-states of the IECEE, and exports of such products should be boosted.

According to the CCEE regulations, he said, foreign products have to obtain such certificates and the CCEE symbol before (entering) China's markets.

Steel Industry 'Healthy' Despite Output Decline

HK0408065490 Beijing CHINA DAILY in English
4 Aug 90 p 2

[By staff reporter Ren Kan]

[Text] Although the daily output of steel in July dropped from June, China's steel industry is still on a "healthy development track" and will achieve its aims this year, a Ministry of Metallurgical Industry office said yesterday.

The daily output of steel in July was 169,800 tons, 10,000 tons less than June this year, he said.

It is the third consecutive monthly decline since April when the daily output hit 183,700 tons.

The figure is also the second lowest so far this year only before that of January when the steel production was affected by the very cold weather.

The official attributed the July decline to the high temperature and heavy rains which had hampered supplies of iron ore.

Despite the decline, the July output was still higher than that planned by the ministry and there was no doubt that the national target of 61 million tons for this year would be achieved.

China, the world's fourth largest steel producer, turned out more than 61 million tons steel last year and the total output for the first seven months of this year was up by 10.4 per cent.

During that period, the official said, the figure hit 37.5 million tons, representing 61.5 per cent of the ministry's production plan for this year.

Meanwhile, the output of pig iron increased by seven per cent to 34.6 million tons during the first seven months.

By the end of July, the official said, China had produced 29.4 million tons of steel products, an increase of 8.9 per cent over the same period last year.

The country's key steel corporations developed steadily. The steel output of the Anshan Iron and Steel Corporation in Liaoning Province was 4.3 million tons, Wuhan Iron and Steel Corporation in Central China produced 2.7 million tons and Shanghai Baoshan Iron and Steel Corporation made 2.2 million tons.

The official said the decline of steel daily output had offered a chance to speed up the product readjustment which the industry is concentrating on this year.

Although the austerity programme had drastically cut demand for steel, some items of rolled steel were still in short supply.

These included enamelled pressed steel and piping for petroleum pipelines.

Increasing the output of these products had become the focus for the steel industry during the second half of this year, the official said.

According to the ministry's plan, output of such items will be 700,000 tons more than that of last year.

Aviation Authority Plans 12 New Air Routes

OW0608073790 Beijing XINHUA in English
0603 GMT 6 Aug 90

[Text] Beijing, August 6 (XINHUA)—The Civil Aviation Administration of China (CAAC) will open 12 new air routes this winter and next spring, a CAAC official announced today.

The new routes include Xian-Wuhan-Wenzhou, Guangzhou-Jinan, Wuhan-Wenzhou, Chongqing-Taiyuan-Shenyang, Dalian-Nanjing, Harbin-Hangzhou, Changchun-Nanjing and Fuzhou-Luoyang lines.

With the opening of the new routes, there will be 3,037 flights with 346,800 seats each week in the winter-spring period, a sharp increase compared with last winter and spring, the official said.

East Region

Fujian Attracts More Taiwanese Investors

HK0808080990 Beijing CHINA DAILY in English
8 Aug 90 p 2

[By staff reporter Chang Weimin]

[Text] Fuzhou—Taiwanese money has flooded into this Southeast Chinese province this year following further improvement in its investment climate.

Fujian attracted \$240 million in investment from the island in the first six months of this year, doubling that in the corresponding months last year, according to Wang Hao, director of the Overseas Chinese Commission of the Standing Committee of the Fujian Provincial People's Congress.

And the investment had gathered new momentum both in size and quality, he added.

Wang said that by June, the number of Taiwanese-funded projects approved by the government had soared to 588, involving \$870 million.

And projects starting in the first half of the year had been larger than those initiated before, he said.

The average investment for newly-launched projects was \$2 million, compared with \$800,000 in 1988. The largest of the projects involved more than \$100 million.

In the first six months, joint ventures with Taiwan business people and projects solely-owned by Taiwanese had not only involved processing industries as before, but also raw materials production, infrastructure sectors and farming development, he said.

The investment emphasis had also switched from labour-intensive to technology-intensive projects, Wang said, adding that many Taiwanese investors had shown strong interest in the construction of power plants, sea ports and air-fields.

In the first half of this year, Taiwanese investors had come mostly in groups or in the name of trade associations, he said. Before this year, they had come on an individual basis.

He said the associations were involved in the textile, electronics, chemical, machinery and mining industries.

Some Taiwanese had even intended to undertake comprehensive development of entire regions or islands.

He attributed the increasing levels of investment to the improvement of the energy supply, transportation and communications and to flexible State policies.

For example, the Fujian branch of the Chinese People's Construction Bank had played a pioneer role in improvement of the investment climate, he said.

In the past decade, the branch had approved more than 10.2 billion yuan (\$2.16 billion) in loans for the construction and renovation of the province's infrastructure.

Three large bridges, two airfields, three railways, three ports and five power plants had been built or renovated with the help of the loans.

To further improve the investment climate, Wang said, the provincial government would build a modern highway along the coast and another railway in the coming five to 10 years.

Wang said the province had absorbed more funds from Taiwan than other parts of China since investment had started in 1984 because the province was near the island and two-thirds of the Taiwanese had relatives living in the province.

Jiangsu Party Leaders Visit Military District

OW0808090190 Nanjing XINHUA RIBAO in Chinese
20 Jul 90 p 1

[By reporters Sun Zhilin (1327 2535 2631) and Kong Dehong (1311 1795 1347)]

[Text] Shen Daren, secretary of the Jiangsu Provincial Party Committee; Chen Huanyou, deputy secretary of the Provincial Party Committee and governor of Jiangsu; and personnel in charge of relevant authorities made a special trip to the Jiangsu Provincial Military District on the afternoon of 27 July. While there, they had a sincere discussion with Zhang Zhaoxun, Wei Changan [7614 7022 1344], Chen Kehou, Chen Chungeng [7115 2504 5087], Zhong Minghui [4429 2494 6540], Geng Guangyi [5105 1684 5030], and Ling Guangye [0407 1684 2814], members of the new leading body of the military district, on how to build a stronger provincial military district, militia force, and reserve force. The discussion was sincere, truth seeking, and practical.

The discussion began a report by Zhang Zhaoxun, commander of the Jiangsu Provincial Military District, about the major projects the military district accomplished during the first half of the year, the missions set for the second half of the year, and certain practical issues concerning the reserve forces in Jiangsu. Then, Comrade Chen Huanyou extended festive regards of the provincial party committee and the provincial government to the provincial military district's commanders and fighters. He also briefed the provincial military district's new leading body about the successes Jiangsu achieved in restructuring the economy and deepening reform during the first half of the year, as well as the province's future priorities and problem-solving measures. He also expressed the support of the provincial party and the provincial government for the provincial military district's plans of establishing the provincial commission for national defense education, beefing up coastal defense, preparing the establishment of a school

for training militia cadres, and improving the training of reserve forces. He also expressed his views on how to implement these projects.

Speaking at the meeting, Comrade Shen Daren endorsed the good job accomplished by the provincial military district in recent years, saying that the military district has achieved new successes and gained new experiences in promoting ideological and political work in the armed forces and the militia, and in military and logistical construction. The provincial party committee, the provincial government, and people throughout Jiangsu, he said, are satisfied with the military district's great contributions to safeguarding Jiangsu's stability and material and spiritual construction. On behalf of the provincial party committee, he urged the new leading group of the provincial military district to do their work well in the following five areas:

First, it should intensify the study of theory in order to maintain a firm and correct political bearing. The new leading group must make constant efforts to improve its proficiency, especially political proficiency.

Second, it should carry forward the exploratory and enterprising spirit and create a new situation for the provincial military district. While carrying forward the good experiences and traditions, the military district should also have the courage and gumption to bring forth new ideas so that it can achieve even more splendid success in various fields.

Third, it should strive to improve its leadership and work style. It should continue to foster the good style of maintaining close ties with the masses. Leading cadres should visit the fighters at the grass-roots units regularly to understand their problems and provide them with practical solutions.

Fourth, it should continue to promote military-government and military-people unity. The leading group should maintain and carry forward this tradition and continue to maintain close ties with the local authorities. From now on, provincial authorities should also express greater care for the work of the provincial military district.

Fifth, it should uphold democratic centralism and do their work properly by working in unity. First of all, members of the new leading group must firmly obey the command of the party Central Committee and the Central Military Commission headed by Comrade Jiang Zemin. Secondly, they should uphold collective leadership and discuss all major issues collectively. Thirdly, they should promote unity among themselves. While upholding principles, they should pay attention to work methods and strive to promote unity and harmony within the leading body.

Jiangsu Measures on Demonstration Law

OW0608100790 Nanjing XINHUA RIBAO in Chinese
2 Jul 90 p 2

[Measures for Implementation of the "Law of the People's Republic of China on Assemblies, Parades, and Demonstrations" in Jiangsu Province, adopted on 18 June 1990 at the 15th Session of the Standing Committee of the Seventh Jiangsu Provincial People's Congress]

[Text] Article 1. These measures are formulated on the basis of the actual conditions of this province for the purpose of implementing the "Law of the People's Republic of China on Assemblies, Parades, and Demonstrations."

Article 2. These measures apply to assemblies, parades, and demonstrations held within this province.

Article 3. The rights of citizens to hold assemblies, parades, and demonstrations shall be protected by the people's governments at all levels according to law.

Article 4. In exercising the rights to hold assemblies, parades, and demonstrations, citizens shall abide by the Constitution and the relevant laws and regulations. They shall not violate the basic principles established by the Constitution, nor shall they damage the state, social, and collective interests and the legal freedoms, rights, and interests of other citizens.

Article 5. The departments in charge of issues concerning assemblies, parades, and demonstrations are the public security bureaus of the counties (cities) or the public security subbureaus of the cities where the assemblies, parades, and demonstrations take place. If the route of a parade or a demonstration passes through two or more counties (cities, districts) within the same city which has districts under its jurisdiction, the department in charge shall be the public security bureau of that city. If the route crosses the border of cities which have districts under its jurisdiction, the department in charge is the provincial public security bureau.

Article 6. For an assembly, a parade, or a demonstration to be held, an application must be filed with and approval obtained from the department in charge, except in those cases where no application is required as stipulated in Article 7 of the "Law of the People's Republic of China on Assemblies, Parades, and Demonstrations."

Article 7. Personnel of state organs shall not organize or participate in any assembly, parade, or demonstration that goes against their duties and obligations as stipulated in the relevant laws and regulations.

Article 8. Assemblies, parades, and demonstrations must have responsible persons. Where there are two or more responsible persons, one of them shall be designated as the principal responsible person.

Article 9. The responsible person of an assembly, a parade, or a demonstration must come to the department in charge to submit the application five days before the assembly, parade, or demonstration. Applications by mail, telephone, and telegram shall not be accepted by the department in charge. The application shall contain the following details:

- (1) Purpose, form, and slogans;
- (2) Starting and ending times, locations for gathering and dispersal, and route;
- (3) Number of participants; name, occupation, and address of the responsible person; number of people who will assist the people's police in maintaining order; and the identification sign to be worn by them;
- (4) Names, varieties, and numbers of the vehicles, audio equipment, and other tools and equipment to be used; and
- (5) Any other details that the responsible person filing the application for the assembly, parade, or demonstration deems it necessary to give.

If an assembly, a parade, or a demonstration is organized in the name of, or attended by, a government organ, political party, social organization, enterprise, or institution, it must be approved first by the key responsible person of the unit concerned, and the application must bear the official seal of that unit.

When the above conditions are met, the responsible person shall fill out the application form.

Article 10. After receiving the application for an assembly, a parade, or a demonstration, the department in charge shall ask the responsible person filing the application to come back two days before the date of the assembly, parade, or demonstration to obtain a letter of decision showing approval or disapproval of the application. If the application is disapproved, reasons for it shall be given. Failure of the department in charge to take a decision within the prescribed period is considered as approval of the application. Failure on the part of the responsible person of the application to obtain the letter of decision from the department in charge within the prescribed period is considered as voluntary withdrawal of the application.

To request permission to hold an urgent assembly, parade, or demonstration truly necessitated by unexpected events, it is imperative to immediately submit a written report to the department in charge and fill out the application form. Upon receipt of the report and the application form, the department in charge shall immediately examine them and make either a positive or negative decision.

Article 11. Upon receiving requests for holding assemblies, parades, or demonstrations to settle specific problems, the responsible authorities shall notify the relevant organs or units to talk to their sponsors to settle the problems through consultations. They may also postpone the requested dates for five days.

The responsible persons of the relevant organs and units shall notify the competent authorities about the results of the consultations three days prior to the day of holding the assemblies, parades, or demonstrations.

Article 12. If the requested assemblies, parades, or demonstrations have one of the following, the responsible authorities may, when or after determining the permission, change their times, locations, or routes, and notify their sponsors:

- (1) These activities are scheduled to take place during rush hours at busy road sections;
- (2) When permission has already been granted to a previous request to hold such activities at the same time and on the same locations and routes;
- (3) When there is a major holiday or event related to foreign affairs;
- (4) When there will be large literature and art shows, sports meets, and other major activities;
- (5) When road construction or construction of municipal facilities are going on;
- (6) When a contagious disease has erupted; and
- (7) When these activities will seriously affect traffic order and social order.

Article 13. Permission shall not be granted for assemblies, parades, or demonstrations if they have one of the following:

- (1) They go against the basic principles prescribed in the Constitution;
- (2) They endanger national unity, sovereignty, and territorial integrity;
- (3) They instigate national separation;
- (4) There is ample proof that the assemblies, parades, or demonstrations will directly endanger public safety, or will seriously undermine social order.

Article 14. If the sponsors of assemblies, parades, or demonstrations do not agree with the competent authorities' negative decision, they may, within three days upon being notified, request the people's government of the same level for a reconsideration; and the people's government shall make a decision within three days after receiving the request and promptly notify the sponsors who submit the request as well as the competent authorities.

Article 15. After submitting their requests and before receiving the written decision from the responsible authorities, the sponsors of assemblies, parades, or demonstrations may withdraw their requests. If, after receiving the responsible authorities' written permission, they decide not to hold the assemblies, parades, or demonstrations, they should promptly notify the responsible authorities; and if the participants have already assembled, they shall disband on their own accord.

Article 16. Assemblies, parades, or demonstrations must be held between 0600 and 2200 unless otherwise decided or approved by the local people's government.

Article 17. For legitimate assemblies, parades, and demonstrations, public security organs shall dispatch people's police to maintain traffic order and social order. Should one of the following happen, they shall take legal measures to stop it:

- (1) When violence and coercion are used to harass an assembly, parade, or demonstration;
- (2) When people are amassed to storm an assembly, parades, or demonstrators;
- (3) When unauthorized people intend to join the assemblies, parades, or demonstrations; and
- (4) When other illegal ways are used to interfere with assemblies, parades, or demonstrations.

Article 18. During the course of assemblies, parades, and demonstrations, their sponsors shall always maintain contact with the responsible personnel of the people's police on location and share with them the responsibility of maintaining order of the assemblers, paraders, and demonstrators, and stop other people from joining in the event. Specially designated personnel, wearing uniform signs, shall be assigned to assist the people's police in maintaining order.

Article 19. Assemblies, parades, and demonstrations shall proceed peacefully.

Assemblers, paraders, and demonstrators shall obey the direction of the people's police; safeguard public safety, public order, and public health; and follow the rules below:

- (1) They shall not use violence, or instigate the use of violence;
- (2) They shall not stop vehicles, block traffic, or destroy means of transportation and communication facilities;
- (3) They shall not carry weapons, controlled cutting tools, inflammables, explosives, or other materials that jeopardize public safety;
- (4) They shall not slander or humiliate other people, fabricate rumors, or disturb public order;
- (5) They shall not make speeches, or shout slogans, which are incompatible with the purposes of the assemblies, parades, and demonstrations;
- (6) They shall not carry flags and streamers which are incompatible with the purposes of the assemblies, parades, and demonstrations;
- (7) They shall not carve, draw, scrawl, write, or put up propaganda materials along the way;
- (8) They shall not encroach upon, damage, or destroy wooded areas, cultural and historical sites, and public facilities; and
- (9) They shall not carry out any other lawless or criminal activities, or instigate others to do so.

Article 20. When traffic disorders appear, or might appear, during the course of a parade or demonstration, and normal progress in the parade and demonstration can hardly be ensured, the responsible personnel of the on-the-scene people's police may promptly carry out the relevant traffic regulations in a flexible manner, and they may also impose traffic control on certain road sections.

Article 21. When a parade encounters one of the following situations and cannot proceed along the routes that have been approved, the responsible personnel of the on-the-scene people's police have the authority to change the routes of the parade:

- (1) When there is a major traffic accident, or traffic jam;
- (2) When there is a fire;
- (3) When there is a major security problem, or crime; and
- (4) When there are other major accidents.

Article 22. If an assembly, parade, or demonstration takes place at—or passes through—areas where state organs, military organs, broadcast stations, television stations, and other key units are located, the responsible authorities may install temporary cordons nearby for the sake of maintaining order, and nobody shall cross these cordons without the permission from the people's police.

Article 23. Without the approval of the provincial people's government, assemblies, parades, and demonstrations shall not be held in areas 10 to 300 meters around the following locations:

- (1) Lodgings where state guests stay;
- (2) Major military installations; and
- (3) Airports, railway stations, and seaports.

Article 24. The people's police shall stop the assemblies, parades, and demonstrations when they have one of the following:

- (1) The request for holding these activities has not been filed according to law, or the request has been denied;
- (2) They fail to proceed in accordance with the purposes, forms, starting and ending times, locations, routes, and the number of participants, as well as the billboards and slogans, approved by the responsible authorities;
- (3) When public safety has been jeopardized, or social order has been seriously disrupted, during the process; and
- (4) When regulations prescribed in Article 7, 16, 19, 22, and 23 of these measures have been violated.

The responsible personnel of the on-the-scene people's police have the right to disband the assemblies, parades, and demonstrations if they have one of the aforementioned conditions and refuse to stop as ordered. After being ordered to disband, the assemblers, paraders, and demonstrators shall leave the scene in an orderly way within the prescribed time. If they do not, the responsible personnel of the on-the-scene people's police have the right to take necessary measures to disperse them according to relevant regulations of the state. For those who refuse to leave, the people's police may also forcibly take them away from the scene, or detain them immediately.

Article 25. The sponsors of assemblies, parades, and demonstrations, or personnel who are directly responsible for these activities, shall have their legal responsibilities investigated if the activities under their sponsorship violate the "Law of the People's Republic of China on Assemblies, Parades, and Demonstrations" and these measures.

Article 26. These measures are applicable to assemblies, parades, and demonstrations carried out by foreigners within Jiangsu's boundary.

Foreigners shall not participate in assemblies, parades, and demonstrations held by Chinese citizens within the boundary of Jiangsu without the approval of responsible authorities.

Article 27. The Jiangsu Provincial People's Government shall be responsible for explaining issues relevant to the specific application of these measures.

Article 28. These measures become effective upon promulgation.

Jiang Chunyun Opines on Enterprise Contract

SK0508032090 Jinan Shandong Provincial Service in Mandarin 2200 GMT 4 Aug 90

[Text] After a three-day session, the provincial work conference on the contracting system of enterprises concluded in the city of Jinan on 4 August. During the conference, the participating comrades summarized the experience gained in enforcing the enterprise responsibility system in the former round, analyzed the new situation and characteristics faced by enterprises, and discussed opinions and formulated measures to enforce the enterprise responsibility system in the new round.

Jiang Chunyun, secretary of the provincial party committee, voiced his opinions in a written statement presented to the work conference, in which he urged cities, prefectures, and departments to realistically enhance their leadership over the enforcement and to do a good job in enforcing the enterprise responsibility system in a down-to-earth manner in the new round.

During the work conference, Zhao Zhihao, deputy secretary of the provincial party committee and governor of the province, put forward the demand of doing a good job in enforcing the enterprise responsibility system in the new round. Gao Changli, member of the provincial party Standing Committee and vice governor of the province, delivered a speech.

During the work conference, the representatives of units, including the Yantai City People's Government, the Zaozhuang City System Reform Commission, the Jinan Chemical Industry Plant, and the Weifang Cement Plant, delivered reports in which they described from various angles their plans and methods of enforcing enterprise responsibility system. The participating personnel put forward supplementary opinions for revising

the specific measures formulated by the provincial People's Government with regard to successfully enforcing the enterprise responsibility system in the new round and further discerned the guiding ideology and basic principles of the work in this regard in the new round and the specific methods in 14 fields, such as maintaining stability in the connection between the two rounds of enforcing the enterprise responsibility system, optimizing the managerial personnel's ranks, successfully conducting audit work among contracted enterprises, earnestly honoring the contracts, defining the length and form of contracts, reasonably defining the cardinal figure of contracts and the retained profits of enterprises, improving the contract quota system, and protecting the legal right and interest of contractors.

Zhu Rongji Receives Zhejiang Government Delegation

OW0708131490 Shanghai City Service in Mandarin 0900 GMT 5 Aug 90

[Text] A Zhejiang government delegation, headed by Shen Zulun, deputy secretary of the Zhejiang CPC Provincial Committee and governor of Zhejiang; Wang Zhonglu, deputy delegation head and vice governor of Zhejiang; and Wu Minda, adviser and vice chairman of the Zhejiang Provincial People's Congress Standing Committee, arrived in Shanghai this afternoon.

Zhu Rongji, secretary of the Shanghai Municipal CPC Committee and mayor of Shanghai; Huang Ju, deputy secretary of the Shanghai Municipal CPC Committee and vice mayor of Shanghai; Ye Gongqi, chairman of the Shanghai Municipal People's Congress Standing Committee; and Vice Governor Gu Chuanxun, warmly met with the Zhejiang delegation.

Governor Shen Zulun said: Geographically, Zhejiang is close to Shanghai. In addition, Zhejiang has a close relationship with Shanghai. The main purpose of this visit is to discuss the issue of strengthening economic and technological cooperation between the two regions. We want to create conditions for relevant departments to make contacts in the area of economic cooperation.

Mayor Zhu Rongji said that Shanghai and Zhejiang are currently facing the same problems. He said that it is necessary for them to consult and discuss these problems with each other. He called for stepping up cooperation under the premise of mutual interests. The decision of the CPC Central Committee to develop and open Pudong is a major and strategic decision, he added. He said Shanghai should try its best to create conditions favorable for other provinces and municipalities. He called on all to do a good job in developing Pudong.

In addition to responsible persons from relevant committees, offices, and departments, members of the visiting Zhejiang government delegation also included major leaders of 11 prefectures and cities from Zhejiang.

Central-South Region

Guangdong, Hong Kong, Macao Cooperation Urged

HK0408081890 Hong Kong ZHONGGUO TONGXUN SHE in English 1321 GMT 3 Aug 90

["Economists Call for New Framework of Inter-Regional Cooperation Among Guangdong, Hong Kong and Macao"; by Shi Chuan—ZHONGGUO TONGXUN SHE headline]

[Text] August 3 (HKCNA)—A group of economists familiar with the economies of Guangdong, Hong Kong and Macao have called for economic cooperation among the three regions in a new framework which would see greater sharing of capital investment, technologies, markets, and land and labour resources. Such cooperation would, they say, boost the development of the international economic system formed by the three regions.

The chairman of the Chinese All-State Research Society of the Economies of Hong Kong and Macao, Zhou Weiping, said that in order to achieve this objective, it is crucial for Guangdong and Hong Kong to set up two corresponding organizations separately instead of having a single unified one for the promotion of inter-regional economic development.

This is because, he said, the two regions have certain situational differences. There are also differences in business cooperation between the two regions and two separate organizations would provide more flexibility for economic cooperation.

Zhou said he believed that the two organizations for promoting inter-economic cooperation should be set up after careful preparation and broad discussions, and these should be led by influential people in society. The organizations should be non-official but have the support of the governments of Guangdong, Hong Kong and Macao. Members could be entrepreneurs, economists and semi-officials, and even a few government officials could participate on a personal basis.

The honourable chairman of the Guangdong Federation of Societies, Zhang Jiangming, believed that the organizations should not only deal with economic issues, but should also look at social matters.

The deputy chairman of the Chinese People's Political Consultative Committee's Guangzhou Municipal Branch Committee, Mai Yang, said he felt that economic ties among the three regions should be further widened in the long term interest to include Xiamen, Taiwan and Guangxi, thus forming a south China economic region. He said that it is time to start looking at the unification of the South China economic region, because it would then be easier for Hong Kong to accept the concept.

The Guangdong Chinese Academy of Social Science's deputy director, Zeng Muye, said that the inter-regional economic ties should be upgraded because the present

processing and assembling with imported materials and compensation trade cannot contribute much to the prosperity of the Chinese economy.

Deputy Director of the Guangdong Economic Commission, Xu Dezhi, said that he shared the same viewpoint as Zeng, but he further added that inter-regional economic cooperation among the three regions should be worked for to enhance China's development into a world production centre.

The deputy present of Jinan University, Yun Guanping, pointed out that now after ten years working together a critical point for inter-regional cooperation has been reached. He added that the three regions should be complementary to each other in their production structures with Guangdong supplying materials for heavy industry or other types of industry for Hong Kong and Macao.

Guangzhou Confiscates Privately-Owned Weapons

HK0608051090 Hong Kong TA KUNG PAO in Chinese 1 Aug 90 p 3

["Special dispatch" by TA KUNG PAO correspondent Yang Wei-Min (2799 4580 2404): "Guangzhou Scores Marked Successes in Collecting Privately-Held Lethal Weapons"]

[Text] Guangzhou, 31 Jul (TA KUNG PAO)—Guangzhou City has achieved remarkable success in taking over privately-owned weapons, knives which are forbidden unless authorized, and explosives, thus contributing to social stability.

A responsible member of the Guangzhou Public Security Bureau gave this reporter an account of the work, which is referred to as a special struggle. He said: The "Circular on Collecting All Privately-Held Weapons, Knives of Which the Use Is Forbidden Unless Authorized, and Explosives" issued by the Guangzhou city government on 10 June decrees that law-breakers and criminals shall surrender themselves to the police and clear themselves of their crimes before 30 July. During that period about 970 criminals turned themselves in to public security organs, of whom 18 illegally held or trafficked in guns. In the same period, public security organs cracked 4,800 criminal cases of every description, of which 22 cases involved illegal possession of or trafficking in guns. A number of criminals were arrested, of whom 34 privately kept or trafficked in guns. Over 21 pistols, five imitation guns, 77 guns of other types, 22,000 toy guns, 3,500 cartridges which had been privately held or trafficked in, 14,000 knives and lethal weapons the use of which is forbidden without a permit, a number of detonators, hand grenades, blasting fuses, explosives, and even landmines, artillery shells, and bombs manufactured before liberation which had been purchased by salvage stations as scrap, were confiscated.

The responsible member said: Though the circular makes 30 July the deadline for criminals to surrender, the work of taking over illegal weapons has not been accomplished. He indicated that those who illegally keep guns, knives, and

explosives, the use of which is forbidden without permit, and other criminals are still welcome to surrender and clear themselves of their crimes, and that they will be treated with leniency in accordance with state laws. He also called on those units that possess guns and ammunition and those units that manufacture, transport, market, and use explosives to comprehensively and conscientiously improve their control over weapons, ammunition, and explosives to ensure public safety, in accordance with state regulations. From now on, the leadership and staff members shall be held responsible for any accidents due to negligence.

Guangzhou Commends Police for Role in Stability

HK0808062190 Guangzhou Guangdong Provincial Service in Mandarin 0400 GMT 7 Aug 90

[Text] The Guangzhou City Public Security Bureau held a meeting this morning to commend a group of advanced police units and policemen who have greatly contributed to maintaining social stability and cracking down on major and serious crimes in Guangzhou.

In the face of a rapid increase in major and serious crimes in Guangzhou, the broad masses of police officers and policemen in Guangzhou have made an all-out effort to safeguard public security. Policemen Xie Derong, Xiao Jie, and Chang Guangming were killed by criminals while performing their duties. A total of 47 police officers and policemen were wounded while performing their duties. A large number of brave police officers and policemen have emerged during the struggle.

This morning, leaders of the Guangzhou City CPC Committee, the Guangzhou City People's Government, the Guangzhou City CPC Advisory Committee, the Guangzhou City Discipline Inspection Commission, the Guangzhou City People's Congress, the Guangzhou City CPPCC [Chinese People's Political Consultative Conference] Committee, and the Guangzhou City Public Security Bureau conferred certificates of merit on a total of 88 advanced units and 146 advanced police officers and policemen in the auditorium of the Guangzhou City Public Security Bureau.

On behalf of the Guangzhou City CPC Committee and the Guangzhou City People's Government, Yang Ziyuan, deputy secretary of the Guangzhou City CPC Committee, expressed thanks to the broad masses of police officers and policemen for their great contributions to the maintenance of overall social stability in Guangzhou.

Henan Military District CPC Committee Meets

HK0708033590 Zhengzhou Henan Provincial Service in Mandarin 2200 GMT 6 Aug 90

[Text] The 8th Plenary Session of the 8th CPC Committee of the Henan Provincial Military District was held in Zhengzhou from 3 to 6 August.

Hou Zongbin, secretary of the Henan Provincial CPC Committee and concurrently first secretary of the CPC

Committee of the Henan Provincial Military District, delivered a speech at the final session.

Wu Guangxian, secretary of the CPC Committee of the Henan Provincial Military District and concurrently political commissar, and Zhu Tao, deputy secretary of the CPC Committee and concurrently commander of the Henan Provincial Military District, delivered speeches.

The plenary session discussed and studied specific ways and means aimed at improving leadership style.

All the CPC members of the military district attended and unanimously agreed that in order to improve leadership style, leaders at all levels must personally take the lead, work harder, and carry out work in a down-to-earth manner.

In his speech, Comrade Hou Zongbin fully affirmed the work done by CPC committees at all levels, and put forward the following three demands on both present and future work:

1. To continue to promote overall stability in Henan. He said that without the active participation and support of the People's Liberation Army [PLA] troops stationed in Henan and the people's militia forces, it would be impossible to maintain stability. Therefore, while maintaining internal stability, all departments concerned must further strengthen leadership over militia work in order to enable it to play its proper role in maintaining stability. Efforts must be made to strengthen the training of the people's militiamen to enable them to rapidly respond to all types of emergencies.
2. To carry out education on national defense among the people in a down-to-earth manner. Principal leaders must personally take the lead in strengthening education with a view toward turning the concept of people's national defense into the reality of people's actions in supporting the development of national defense, enabling all of society to show concern for, and support the development of the PLA, and creating a fine atmosphere for work aimed at supporting the army and giving preferential treatment to families of revolutionary armymen and martyrs.
3. To fully understand the importance of safeguarding solidarity. The strengthening of solidarity is an important guarantee of the implementation of the CPC's political line, bears directly on CPC committee building at all levels, and constitutes the basis for maintaining overall stability in Henan. Therefore, CPC committees must further strengthen internal solidarity with a view toward maintaining and promoting solidarity among the broad masses of PLA officers, soldiers, and people's militiamen.

Southwest Region

Guizhou Sponsors Economic Coordination Meeting

HK0808121790 Guiyang Guizhou Provincial Service
in Mandarin 2200 GMT 7 Aug 90

[Text] Xie Yanghui, secretary general of the Guizhou Provincial People's Government, announced at a news briefing held yesterday that an economic coordination meeting attended by Guizhou Province, Yunnan Province, Sichuan Province, Guangxi Region, Tibet Region, Chongqing City, and Chengdu City will be held in Guiyang from 7 August to 12 August.

Vice Premier Tian Jiyun has written the following inscription for the meeting: Strengthen Lateral Economic Association, Jointly Promote Economic Development.

Apart from delegations from the abovementioned provinces, regions, and cities, the meeting will also be attended by responsible persons of various central departments, offices, and commissions concerned and by comrades from Hunan Province as well.

Comrade Xia Yanghui said that the forthcoming economic coordination meeting will mainly discuss the following two questions:

1. How to seize opportunities in the 1990's to jointly promote economic development in the abovementioned provinces, regions, and cities in light of their actual conditions;
2. How to further improve, perfect, and strengthen economic coordination among the provinces, regions, and cities in the 1990's;

The meeting will also discuss specific ways and means aimed at strengthening cooperation in developing agriculture, agriculture-oriented industries, energy industry, communications industry, transportation industry, and raw material industry and at strengthening overall economic strength of various economic cooperation zones in the provinces, regions, and cities, speeding up development of Southwest China, developing tourism industry, and ensuring commodity circulation among all the above mentioned provinces, regions, and cities.

Commentary on Meeting

HK0808121990 Guiyang Guizhou Provincial Service
in Mandarin 2200 GMT 7 Aug 90

[Text] The following is our station commentary on the forthcoming economic coordination meeting to be attended by five southwestern provinces and regions and two southwestern cities. Our station commentary is entitled "Jointly Develop Southwest China."

The Seventh Economic Coordination Meeting of Five Southwestern Provinces and Regions and Two Southwestern Cities will begin in Guiyang today. This is a major event in the economic life of the people of all nationalities in Guizhou. We express our warm welcome

to all the comrades attending the meeting and wish the meeting a complete success!

Southwest China is a large area inhabited by a big population. Most of China's ethnic minorities live in Southwest China. Southwest China is also of great strategic value and has great potential for economic development.

Due to both historical and realistic reasons, Southwest China has developed at a much slower pace compared with other parts of China. Therefore, an important task facing people in the five southwestern provinces and regions and the two southwestern cities is to speed up development of Southwest China. Since the first economic coordination meeting was held in Luoyang in 1984, the five southwestern provinces and regions and the two southwestern cities have further strengthened their cooperation and established more lateral economic associations among themselves, thus greatly promoting reform, opening up to the outside world, and economic construction in Southwest China, speeding up work of exploiting natural resources in Southwest China, and creating new experiences in carrying out lateral economic cooperation.

We believe that so long as the five southwestern provinces and regions and the two southwestern cities make concerted efforts to promote development of Southwest China, Southwest China is bound to witness a much faster development in the 1990's. The 200 million people of various nationalities in the five southwestern provinces and regions and the two southwestern cities will certainly be able to push ahead with the socialist construction cause in all of Southwest China.

Autonomous Prefecture Celebrates Sichuan Founding

OW0808021090 Beijing XINHUA in English
1447 GMT 7 Aug 90

[Text] Kangding, August 7 (XINHUA)—The Tibetan Autonomous Prefecture of Garze, the first autonomous prefecture for a minority nationality in China, celebrated Monday the 40th anniversary of its founding in Kangding County, Sichuan Province.

The Standing Committee of the National People's Congress and the State Council sent congratulatory message to the prefecture.

The autonomy exercised in the prefecture, which mainly inhabited by Tibetans has remarkably boosted the development of the local economy, culture and education in the past four decades.

In this period, the prefecture's industrial and agricultural output value has increased by 4.7 times and the average annual income per farmer or herdsman has increased 6.9 times.

Yang Rudai, a member of the Political Bureau of the Communist Party of China (CPC) Central Committee and secretary of the Sichuan Province CPC Committee, attended the celebration ceremonies.

Jiang Zemin Inspects Tibetan Armed Police Corps

*OW0508041690 Lhasa Tibet Television Network
in Mandarin 1200 GMT 2 Aug 90*

[Announcer-read video report; from the "Tibet News" program]

[Text] [Video begins with shots of the arrival of a jeep, followed by two large vans, in a compound, cutting to show medium shots of Jiang Zemin, in the company of Hu Jintao and Raidi, secretary and deputy secretary of the Tibet Regional Party Committee, shaking hands with unidentified military officers who line up in the compound to greet Jiang] Jiang Zemin, general secretary of the CPC Central Committee and chairman of the Central Military Commission, visited the armed police corps in Tibet on 23 July. He spoke highly of the commanders and fighters and the vast number of law enforcement personnel in Tibet for their significant contributions during the counterseparation struggle in Tibet. Jiang Zemin urged them to continue to work hard, be mentally prepared for protracted struggles, and win even greater victories in fighting separation.

[Video shows shots from various angles of Jiang Zemin, accompanied by Hu Jintao, reviewing officers of Tibet's armed police corps lining up in rows in the compound. All are seen applauding] Among those received by General Secretary Jiang Zemin were public security personnel and commanders and fighters of the armed police corps, who took the lead in quelling the unrest in Lhasa last year; cadres of people's courts and procuratorates, who worked silently in ensuring Tibet's stability and economic construction; and armed police personnel, who have contributed to the construction of the (Yan-gu) Power Station and the China-Nepal Highway and to Tibet's economic development.

Representing the party Central Committee, the State Council, and the Central Military Commission, the general secretary extended cordial regards to the law enforcement personnel and comrades of the armed police corps, who have been struggling on various fronts in Tibet. Those in the audience thanked General Secretary Jiang Zemin for his kind attention.

[Video shows Jiang Zemin and some civilian officials in Tibet having a group picture with about 100 military officers, cutting to show closeups of Jiang talking to the officers] After having a group picture with the commanders and fighters of the armed police corps and all law enforcement personnel, the general secretary told them that Tibet is a strategically located region in the southwest frontier of the motherland. He said: The Tibet regional party committee went through a severe test in crushing the serious upheaval created by a handful of separatists in Lhasa last year. Facts prove that the regional party committee is a staunch one. While we have thwarted the rebellion [dong luan], the riots [bao luan] and the disturbances [sao luan], we have also gained a lot of experiences. We can say that bad things have turned into good things. While the situation throughout the country, including Tibet, is stable today, we must never lower our guard.

The general secretary wholeheartedly wished the public security and other law enforcement organs and the armed police corps in Tibet even greater success in stabilizing the situation in Tibet.

Hu Jintao, Raidi, Gyaincain Norbu, Jiang Hongquan, and other leading comrades of Tibet accompanied General Secretary Jiang Zemin during the reception.

Zi Cheng, Gyamco, and Yang Youcai greeted the general secretary upon his arrival.

Leaders Attend Tibet Forum on PLA Founding

*OW0608122090 Lhasa Tibet Television Network
in Mandarin 1200 GMT 31 Jul 90*

[From the "Tibet News" program]

[Text] [Video shows long shot of a conference hall, and then pans to show overall view of the hall followed by close-up shots of some leaders] The Tibetan Military District held a military-government and military-people forum in the afternoon of 30 July to commemorate the 63rd founding anniversary of the People's Liberation Army (PLA).

The autonomous region's party, government and military leaders including Pagbalha Geleg Namgyai, Raidi, Gyaincain Norbu, Tian Congming, Basang, Mao Rubai, Danzim, Jiang Hongquan, (Zi Cheng), (Cheng Hanchang), (Niu Ruizhou), (Cao Xu), (Hou Jie), Pudoje, Lang Jie, Jangzhong Zhaxi Doje, Wang Guangxi, Hu Songjie, Puquang, Tudao Doje, Gong Daxi, Lhamin Soinam Lhun-zhub, Jimzhong Gyaincain Puncog, Lhalu Cewang Doje, Huokang Suolang Bianba, Tangmai Gongjue Baimu, Gongbasa Tudeng Jizha, Qaba Gaisang Wangdui, and (Wang Hailing) attended the forum. Also present at the forum was the Tibetan Military District's former commander, (Xie Jiwu); former Deputy Political Commissar (Li Quanan), leaders of the party committee and the people's government of Lhasa City, and representatives of advanced individuals known for supporting the Army and giving preferential treatment to families of revolutionary soldiers and supporting the government and cherishing the people.

At the forum the commander of the Tibetan Military District, Jiang Hongquan, recalled the 40 years since the PLA marched into Tibet. Under the close care of the CPC Central Committee, the CPC Central Military Commission, and the direct leadership of the Chengdu Military District and the party committee of the autonomous region, the PLA has been joined heart to heart with all nationalities in Tibet, breathed the same air and shared the same fate. They have guarded the border to protect the nation and carried out tasks such as the enforcing of martial law in Lhasa, patrolling borders, military training, management education, logistical support, readjustment of military organization, and building up of the militia. They have followed the same line set by the CPC Central Committee, exemplarily implemented the party's policy

on nationalities and on religion, and made significant contributions toward the development of Tibet.

Commander Jiang Hongquan also said in his speech that the local party committees and governments at all levels and all nationalities throughout the region have shown the utmost concern toward the troops, and given their moral encouragement and material support to the border defense troops during the last 40 years.

At the forum Gong Daxi, vice chairman of the people's government of the autonomous region, conveyed regards and congratulations to all PLA and armed police units stationed in Tibet on behalf of the regional party committee, people's congress, people's government, the Chinese Political Consultative Conference, and all nationalities and people from all circles throughout the region. In his speech, he said that the PLA units stationed in Tibet have inherited and spread our Army's glorious tradition; earnestly implemented the party's policies on nationalities, religion, and the united front; and strictly enforced the three main rules of discipline and the eight points for attention of the PLA. They have maintained a very close relationship with all nationalities in the region and made immortal contributions toward protecting and developing Tibet, thus commanding the love and support of all nationalities in the region.

Especially during the new historical period, troops stationed in Tibet have made outstanding contributions in supporting local economic development. They have positively provided disaster relief, disseminated scientific knowledge, helped the people to shed poverty and become affluent, promoted the party's principles and policies, and launched Army-police-people joint construction of socialist spiritual civilization. They have scored a victory for supporting the government and loving the people, particularly in quelling disturbances in Lhasa. In this instance the PLA and the armed police stationed in Tibet gave their lives and blood to protect the safety of the people's lives and properties, safeguarded the unification of the motherland, stabilized the situation in Lhasa, and won high acclaim from the people throughout the region.

Vice Chairman Gong Daxi called on leading organs of the party and the government at all levels, and people of all nationalities and from all circles throughout the region to adhere to General Secretary Jiang Zemin's instructions on promoting love for the Army and learning from the PLA; to widely launch the support the Army and give preferential treatment to families of revolutionary soldiers and martyrs activities; to treasure the fish and water relationship, formed from the long period of revolutionary struggle between the Army and the people; to carry out in-depth national defense education; to increase national defense awareness; and to continuously promote learning from the PLA and the armed police activities.

He further called on them to show love and concern for the troops through actual deeds and to support the troops; to

continuously enrich and develop the content and condition of supporting the Army and giving preferential treatment to families of revolutionary soldiers and martyrs; to further foster close ties between the military and the government and the military and the people; to strengthen the unity of all nationalities; to safeguard unification of the motherland; to do a good job in guarding the motherland's south-west border; to realize Tibet's long term stability and prosperity and the construction of a socialist new Tibet that is united and rich in civilization; and to struggle for the realization of the four civilizations and the revitalization of the motherland.

Commentary Hails PLA Founding Anniversary

*OW0408065290 Lhasa Tibet Television Network
in Mandarin 1200 GMT 31 Jul 90*

[Station commentary: "Disseminate the Old Tibetan Spirit and Write a New Page in the Annals;" from the "Tibet News" program]

[Text] On the occasion of the founding anniversary of the People's Liberation Army [PLA], which falls on 1 August, we extend our congratulations and cordial regards to the officers and fighters of the PLA units and the demobilized officers and men of the Armed Police stationed in Tibet.

The PLA is a strong pillar of the people's democratic dictatorship of China. The PLA units stationed in Tibet have achieved great exploits in liberating Tibet and in protecting and developing the frontier. Units of the Armed Police have made outstanding contributions to safeguarding the unification of the motherland, to stabilizing the situation in Tibet, and to promoting the building of a socialist material and spiritual civilization in the region. Their historical exploits will be written forever in the annals of Tibet and will always be remembered by the people of all nationalities throughout the region.

In celebrating the 1 August founding anniversary of the Army, we deeply cherish the memory of the revolutionary martyrs who laid down their lives for the state and the Tibetan people. We cherish the memory of those Tibetan veterans who sacrificed their youth by risking their lives and working hard for the people of Tibet. We have come to realize more clearly that without a people's army, the people would have nothing.

In the new historical period, the party, government, military, and people in our region are faced with arduous but glorious tasks. The fourth party congress of the autonomous region, which recently ended, has explicitly set forth the main tasks for the next five years. The primary goal is as follows: It is necessary to firmly grasp the work of stabilizing the situation and economic development, centered around economic construction, in order to ensure long-term political stability, sustained and coordinated economic development, and a marked improvement in the people's standard of living in the region. We will not succeed in achieving this goal without the vigorous support and participation of the PLA and Armed Police units

stationed in Tibet. The new situation requires that the units stationed in Tibet continue to carry forward the old Tibetan spirit and do a good job in building the Army.

Recently, the party committee of the Tibet Military District has called for disseminating the old Tibetan spirit. This fits perfectly with the reality of building the Army at the present time. It is also in accord with the desire of the people of Tibet.

The old Tibetan spirit is the product of putting the traditions of our party and our Army into practice by the units stationed in Tibet. It was created by the numerous sacrifices of our predecessors. It is the valuable spiritual wealth of the people of all nationalities throughout the region. Its core is working arduously and making sacrifices selflessly.

It is of very practical importance and of far-reaching historical significance to mention the old Tibetan spirit again today. The heavy burden of protecting the frontiers and stabilizing Tibet requires the old Tibetan spirit. The more than 2 million people of Tibet hope for the dissemination of the old Tibetan spirit. We hope that the officers and men of the units in Tibet will carry forward the old Tibetan spirit and continue to add to their glorious traditions.

Yunnan CPC Congress Holds Plenary Session 7 Aug

HK0808062990 Kunming Yunnan Provincial Service in Mandarin 1000 GMT 7 Aug 90

[Text] The Fifth Yunnan Provincial CPC Congress held its second plenary session this morning to elect members and alternate members of the provincial CPC Committee, Advisory Committee, and Discipline Inspection Commission.

This morning's plenary session was presided over by Yin Jun, executive chairman of the provincial CPC Congress.

The session elected through secret ballot 46 members and seven alternate members of the provincial CPC Committee, 16 members of the Advisory Committee, and 33 members of the Discipline Inspection Commission.

A total of 578 deputies out of the legally required 590 deputies attended the session.

Ma Jikong, Gao Zhiguo, Qiu Chuangxiao, Ren Keli, Rong Rentong, Yu Yangkang, Zhang Baoshan, Gao Jingxin, Hu Chaogan, Zhong Zhenchuan, Ma Huiquan, and Hu Guangfan chaired the session.

Congress Concludes

HK0808063590 Kunming Yunnan Provincial Service in Mandarin 1000 GMT 7 Aug 90

[Text] The Fifth Yunnan Provincial CPC Congress successfully accomplished all its agendas and concluded in Kunming's Guofang Theater this afternoon.

The conference called on the CPC organizations at all levels, all the CPC members, all the Communist Youth League Committee [CYL] members, and cadres and people of all nationalities to continue to adhere to the CPC's basic line of one center, two basic points under the leadership of the CPC Central Committee headed by Comrade Jiang Zemin; further strengthen inner-Party unity; unity between army and government and between army and people; and unity among people of all nationalities; make concerted efforts, strive forward, and work harder to promote socialist modernization building, and bring about common prosperity among people of all nationalities in Yunnan.

Pu Chaozhu, Liu Shusheng, Xue Tao, Liang Jia, Zhu Jiabi, Zhao Chun, Liang Jinquan, He Hualong, Jiangba Jicai, Huang Shaozhi, Lang Dazhong, Yang Huayin, Chen Peidong, and Hu Jiaren acted as executive chairmen of this afternoon's meeting.

This afternoon's meeting adopted the "Resolution of the Fifth Yunnan Provincial CPC Congress on Work Report of the Fourth Yunnan Provincial CPC Committee," "Work Report of the Yunnan Provincial CPC Advisory Committee," and "Work Report of the Yunnan Provincial Discipline Inspection Commission."

On behalf of various democratic parties and local people's organizations, Yang Ming, chairman of the Yunnan branch of China Democratic League; and Yang Xu, president of the Yunnan Provincial Federation of Trade Unions, delivered congratulatory speeches at this afternoon's meeting.

After successfully accomplishing all the agendas, Pu Chaozhu, executive chairman of the Fifth Yunnan Provincial CPC Congress announced its successful conclusion.

All those who had attended the Congress as non-voting delegates and some well-known non-CPC personages were also invited to attend this afternoon's closing session.

A certain People's Liberation Army [PLA] group army stationed in Yunnan, the Yunnan Provincial Military District, the Kunming-based Office of the Logistics Department of the PLA Chengdu Military Region, and some other PLA units stationed in Yunnan sent congratulatory letters.

Commentary Views Congress

HK0808064390 Kunming Yunnan Provincial Service in Mandarin 1000 GMT 7 Aug 90

[Excerpts] The following is our station commentary on the recently concluded Fifth Yunnan Provincial CPC Congress, entitled "Unity, Stability, Confidence, and Development:"

The seven-day congress successfully accomplished all its agendas and concluded today.

It summed up both achievements and experiences of the Yunnan Provincial CPC Committee over the past five

years and put forward a new development strategy and goals. It was a conference characterized by unity, stability, confidence, and development. Its successful conclusion will undoubtedly promote socialist modernization building in the next five years.

The conference pointed out that in the next five years, Yunnan must concentrate efforts on promoting agricultural development, further increase grain output, continue to develop profitable industries, and promote building of such infrastructural facilities as communications and energy so as to create favorable conditions for development of other types of industries. It must make every possible endeavor to bring about a sustained, steady, and coordinated development of the provincial economy.

So long as all the CPC members and people of all nationalities unify ideology, make concerted efforts, work harder, and strive forward, it will certainly be able to attain all the above mentioned goals.

Yunnan is a border province inhabited by people of various nationalities. Therefore, nationality solidarity and stability are the premise on which Yunnan can develop. In the next five years, all comrades must continue to attach utmost importance to maintaining overall stability and safeguarding nationality solidarity, further strengthen unity between army and government as well as unity between army and people, rely on people of various nationalities in promoting socialist spiritual civilization building and socialist material civilization building, practically strengthen ideological and political work, promote socialist democracy and legal system building, and strengthen economic and education development.

All CPC members must conscientiously study Marxist theories, strengthen organizational and personnel building of the CPC organizations at the grassroots level, further the struggle aimed at opposing corruption and building a clean government, and strengthen blood-and-flesh ties between the CPC and the broad masses of people with a view to building all CPC organizations into a stauncher vanguard armed with Marxism, Leninism, and Mao Zedong Thought. [passage omitted]

Let us further unify ideology, understanding, and action under the leadership of the newly elected Yunnan Provincial CPC Committee, further strengthen confidence and solidarity, and strive to successfully accomplish all the tasks put forward by the recently concluded Fifth Yunnan Provincial CPC Congress!

Yunnan Discipline Commission Submits Work Report

HK0608152190 Kunming Yunnan Provincial Service
in Mandarin 2300 GMT 5 Aug 90

[Text] In its work report submitted to the recently concluded Fifth Yunnan Provincial CPC Congress, the Yunnan Provincial Discipline Inspection Commission stated that the general guiding ideology of Yunnan's discipline inspection work in the next five years is: Strictly

enforce party disciplines in accordance with the CPC Constitution and the demands put forward by the 13th CPC National Congress on discipline inspection work, conscientiously safeguard party regulations and rules, help party committees at all levels in Yunnan strengthen party spirit, examine and supervise implementation of the party's line, principles, policies, and resolutions, and strive to realize the party's basic line and promote Yunnan's reform and opening up to the outside world.

The work report said that over the past five years, the Yunnan Provincial Discipline Inspection Commission has done a lot of work in the following aspects:

1. Adhering to the four cardinal principles;
2. Safeguarding the fine political situation of stability and unity;
3. Straightening out innerparty malpractices;
4. Strengthening party style building and clean government building;
5. Strictly enforcing party disciplines;
6. Taking effective measures to strengthen innerparty supervision through various channels;
7. Carrying out education on party discipline, party spirit, and party style among the broad masses of party members.

The work report also conscientiously summed up Yunnan's discipline inspection work experiences over the past five years, which can be boiled down to the following points:

1. Discipline inspection work must serve the party's basic line;
2. Discipline inspection work must adhere to one center, two basic points;
3. Discipline inspection work must aim at strengthening party style building;
4. Discipline inspection work must safeguard party disciplines. To this end, it is necessary to launch thoroughgoing investigations to all types of discipline-violation cases;
5. Discipline inspection work must aim at implementing to the letter all the instructions issued by the Central Discipline Inspection Commission in light of the realities in Yunnan.

The work report said that the recently concluded Fifth Yunnan Provincial CPC Congress has put forward a number of new tasks for the next five years. Discipline inspection commissions at all levels in Yunnan must work hard to ensure the successful accomplishment of all those tasks and must mainly concentrate efforts on the following aspects of work:

1. To strictly enforce the party's political disciplines and safeguard the fine political situation of stability and unity;
2. To be ideologically ready to fight a protracted war aimed at investigating and cracking all types of innerparty discipline-violation cases and carry on the campaign against corruption through to the end;
3. To adhere to the mass line and develop the party's fine traditions and style;
4. To perfect the existing innerparty supervision system and consciously accept supervision by the broad masses of people;

5. To strengthen education on party spirit, party style, and party discipline with a view to strengthening party spirit among the broad masses of party members and enabling the broad masses of party members to withstand two major tests;
6. To strengthen organizational building of discipline inspection organs at all levels and further improve quality of discipline inspection cadres.

North Region

Xing Chongzhi Speaks on Party Unity 5 Jul

SK0808041990 Shijiazhuang HEBEI RIBAO
in Chinese 6 Jul 90 pp 1, 3

[Text] On 5 July, at an enlarged meeting of the Handan Prefectural CPC Committee, Xing Chongzhi, secretary of the Hebei Provincial CPC Committee, delivered a speech on the significance and foundation of unity and on methods and ways to strengthen unity. He stressed: Only unity can bring about stability and development. We should cherish and protect the unity within the party and the unity between the party and the people, just as we cherish our lives and protect our eyes.

Fully Understand the Significance of Unity, and Energetically Strengthen Unity

Xing Chongzhi said: By the significance of unity we mean the importance and essentiality of unity. This is an old issue. However, we need to understand it again very much. Judging from the current situation in the province's ranks of party members and cadres, the situation of unity is good in general, and has increasingly become better each year. However, there are a number of party members and cadres who do not really understand what unity is and fail to consciously safeguard unity. Viewing the situation and tasks facing us, the vast number of party members and cadres are all the more demanded to fully understand the importance of unity and to energetically strengthen unity.

Last year, the organizational department of the provincial party committee spent more than five months to conduct a relatively systematic survey of 175 local party committees at the county level on their ideological work. It was found that the main trend was healthy and positive. However, some problems in which some leading bodies lacked unity or were not united enough were found. The results of the survey show that the bodies with such problems, including those with potential for such problems, account for quite a large proportion of the total number of party committees at the county level. The situation of unity among leading bodies is an important factor which affects the development of our reform and construction. Over the past few years, some localities have done a good job and worked smoothly in this regard, and thus have, sometimes, provided us with good experience for summarization. However, some localities have failed in this regard. These localities have sometimes provided some lessons

for us to draw from. At the moment, we should safeguard the stability of the overall situation, and should make development and progress a precondition for stability. Both of them are inseparable from unity. Only with unity can we reach stability and make progress.

At the moment, the situation in our country is stable, but, safeguarding long-term stability remains our very important overriding task. To meet this demand, it is necessary to strengthen unity. Chairman Mao had said: "One is the unity within the party, and the other is the unity between the party and the people. They are priceless treasures in overcoming difficult situations. Comrades of the whole party must cherish these two kinds of priceless treasures." The unity we stressed here remains these two kinds of unity and these two kinds of "priceless treasures." The first kind is the unity within the party. Our party is a ruling party. To uphold and strengthen our party's position of ruling and leading the country, all party members must work with one heart and one mind, and must unite with one another. Disunity itself is precisely a factor of instability.

If the problem of disunity arises within our party, particularly within leading bodies, the general situation of stability will be endangered from higher levels downward. This is the case with the situation of the whole, and also the case with the situation of the part. To be more specific, in a village or a unit, if the "fighting bastion" is turned into "fighting within a bastion," turbulence will appear in the village or the unit. Second, the unity between the party and the people is also very important. "The people are the foundation of the state and, when the foundation is solid, the state will be peaceful." The tense relations between the party and the people, and between cadres and the people are bound to adversely influence social stability. We have already had many lessons in this regard. Our efforts to implement the "decision" of the Sixth Plenary Session of the 13th party Central Committee and to strengthen the party's ties with the masses are, in fact, aimed at strengthening party-populace unity and, through the unity, ensuring political and economic stability, and the stability of the entire society.

When summarizing the experiences of the First International, Marx pointed out: "A basic principle of the International was unity. If we can firmly consolidate this dynamic principle among all the workers of all countries, we will certainly attain the great goals that we seek." The remarks of Marx has a very profound meaning. Countless practice has proven that unity is, in deed, a "dynamic principle." Only with unity can we boost the people's enthusiasm and creativity, muster the wisdom and forces of groups, turn them into a tremendous force to facilitate and promote the development of various undertakings, and "attain the great goals that we seek." Under the present circumstances of numerous difficulties, it is very necessary for us to strengthen unity, and acquire such a tremendous facilitating and promoting force taken shape in unity if we are to adhere to and

implement the party's basic line, facilitate the development of reform, opening up, and socialist modernization, and fulfill the arduous tasks for economic improvement and rectification, and in-depth reform.

The unity of the party, and the unity between the party and the people are a basic principle of Marxism-Leninism-Mao Zedong Thought. It has been a fundamental guarantee for our continuous successes ever since the birth of our party. We should fully understand the importance of strengthening unity, and cherish and protect the unity of the party and the unity between the party and people as we cherish our lives and protect our eyes.

Achieve Unity Based on the Basic Principle of Marxism and Leninism, and on the Party's Correct Line

The foundation of the unity of the party must and should only be the basic principle of Marxism and Leninism, and must and should only be the party's correct ideological, political, and organizational line. In order to achieve the unity based on the basic principle of Marxism and Leninism, and on the party's correct line, our party members, especially leading cadres with party membership, are required to adhere to the party's basic purpose of wholehearted service to the people very successfully. In other words, they should adhere to the party spirit that communist party members should possess.

Since the Third Plenary Session of the 11th party Central Committee, our party, with the guidance of the basic principle of Marxism and Leninism, has correctly summarized historical experiences and lessons, and formulated correct line, principles, and policies. This is the political foundation for the unity of the entire party. The purpose of unity of the entire party has also been achieved. However, why is it that the problem of disunity has arisen in some localities and some leading bodies? Judging from the actual conditions of the past few years, the major reason was that some comrades did not very successfully adhere to the basic purpose of wholehearted service to the people. We will have no difficulty in clarifying this so long as we analyze the manifestations of disunity. Disunity in some leading bodies, in general, resulted from their members' scramble for personal gains rather than their differences of principles. What did they scramble for? First, they scrambled for "power." For instance, why was it that your power was big and mine small; why was it that the work assigned to you was "important" and that assigned to me was not "important;" why was it that you "made decisions" on more occasions than I did; why was it that the cadres you recommended were accepted while the cadres I recommended were not; and why was it that what you said "counted" and what I said "did not count?" As a result, they disagreed with and passed the buck to one another, failing to make decisions on or perform the work on which decisions should have been made, or which should have been performed.

Second, they scrambled for "profits." For instance, they said: Your house is good, but mine is bad; your grade and remuneration are higher, but mine are low; your children's jobs are good, but my children's are bad; you have a good car, but I don't; and so on. They competed with one another, and even became red in the face and hated one another for such things. Third, they scrambled for "fame." For instance, they argued: You have been in the limelight more often than I; your name has been published on papers more often than mine; your voice has been broadcast over the radio more often than mine; your face has been shown on television more often than mine; and you have been commanded by leaders more often than I. This made them jealous of each other, not satisfied with each other, and refuse to coordinate with each other. There are also some other instances of such situations. The above-mentioned ones are relatively conspicuous.

Obviously, the above-mentioned cases of scrambling for "power," "profits," and "fame" have not stemmed from the people, but from individuals. If we all faithfully follow the party's purpose of wholeheartedly serving the people and follow the concept that "except for the interests of the working class and the people, communists have no special interest of their own," and the concept that "communists should selflessly dedicate themselves," our competition will become another kind of competition, such as, competing for making contributions, competing for hard work, competing for shouldering responsibility, and competing for gaining lower remunerations but making greater contributions. This is the spirit of revolutionary heroism every party-member leading cadre should have. If we all do this, the above-mentioned problems of disunity will not appear. Of course, there are also other reasons for the appearance of disunity. For instance, some leading cadres' workstyle is not democratic, some systems are not perfect, communications with others are not sufficient, and a few cadres harboring evil intentions have fomented dissension to affect the unity of leading bodies. However, so long as we adhere to the fundamental purpose of the party, these problems can easily be solved. For instance, if we firmly embrace the idea of serving the people when thinking of problems and making policy decisions, we will be able to pay high attention to the interests of the people, to consciously overcome subjectivism and bureaucratism, and to make policy decisions in a scientific and democratic manner. At the same time, we will be able to distinguish right from wrong, and prevent the persons harboring evil intentions from availing themselves of loopholes.

One "System," One "Formula," One "Method," and One "Principle"

Now, we have definitely understood the significance and foundation for strengthening unity. Then, how do we strengthen unity? Or, through what methods and ways can we ensure a constant strengthening of unity? So far as the strengthening of the unity within the party and the unity among leading bodies is concerned, our party has

many fine traditions, and thus we should inherit and carry forward these traditions in a very good manner in connection with the characteristics of the new period and with our practical conditions. Specifically speaking, I think there are the following several issues, namely, one "system," one "formula," one "method," and one "principle."

By the one "system" we mean democratic centralism. Democratic centralism is the fundamental organizational principle of the party, the basic guiding principle which must be followed in launching party activities, an essential system guarantee for realizing scientific and democratic policymaking, and an essential system guarantee for strengthening the unity of leading bodies. The problem at present lies in the lack of democracy and centralism. On the one hand, some leading bodies of party committees have failed to regard the relationship between secretaries, deputy secretaries, and members as the relationship of equality and the relationship of submitting the minority to the majority, but have regarded it as a relationship between leaders and the subordinates. In the political activities within the party, some have regarded democracy as formalism, and regarded centralism as the practice of one person alone having the final say. Some have even indulged in the patriarchal system and the practice of one person making the law. In particular, some have regarded the opinions of "top and second top leaders" as "centralism."

On the other hand, some party organizations adopted a laissez-faire attitude, and lacked the courage to apply the system of centralism to where it should be applied. When holding work discussions, they had difficulties in making decisions because they had "three masters in one country," and were at a loss as to what to do, or because their members were like "permanent members of the United Nations," and all of them had veto power. Such two erroneous tendencies went against the principle of democratic centralism, and conscientious efforts should be made to overcome them. When discussing issues and making decisions, leading bodies must fully develop democracy, expand democracy, and oppose the practices of letting "one person alone have the say," and letting one individual make decisions arbitrarily. Meanwhile, they must exercise centralism based on democracy in a timely manner and to a proper extent, strictly enforce party discipline, and oppose the practice of each going his own way. In particular, they should resolutely oppose and absolutely prohibit the attempt to form factions within the party and leading bodies.

One "formula" means the formula of "unity-criticism and self-criticism-unity" that has taken shape in our party's long period of efforts to raise its ideological level and properly resolve the contradictions between correct ideas and erroneous ideas and between advanced ideas and backward ideas within the party. Specifically speaking, it means, proceeding from the desire for unity, to wage positive ideological struggle and conduct earnest criticism and self-criticism to achieve true unity. Judging from the current situation, our problem in this regard is

insufficiencies in criticism and self-criticism. With the guidance of erroneous ideas and principles, in the history of the party, including the "Great Cultural Revolution," we had the bitter experience of "ruthless struggle and merciless blows," which we should resolutely get rid of, and never be repeated at any time. Over the past few years, however, another erroneous tendency has again emerged in our party, that is, being afraid of conducting criticism, avoiding ideological struggle, adopting a vague and perfunctory attitude toward right and wrong concerning principles, "turning a blind eye to mistakes," avoiding their handling, tolerating them, or criticizing them lightly or perfunctorily, and turning big problems into small problems and small problems into no problem at all. In some localities, self-criticism was conducted perfunctorily, and mutual "criticism" was conducted in such a way that only merits were cited and appraised. People failed to conduct responsible and formal criticism and self-criticism beneficial to the party, but privately conducted many irresponsible criticisms and discussions, and even collected materials to lodge complaints against others anonymously. This led to frame-ups, attack, and retaliation. Facts have shown that unity cannot be maintained, still less strengthened if we give up positive ideological struggle and do not conduct earnest criticism and self-criticism. Therefore, at present, it is particularly necessary for us to restore and develop the party's fine tradition of criticism and self-criticism in order to strengthen the solid unity within the party and leading bodies. On the eve of "1 July," the party Central Committee promulgated "several regulations concerning the democratic meetings of leading cadres with party membership of party and state organs at the county level and above." Our leading cadres with party membership at various levels should strictly enforce the regulations, and conscientiously put the formula of "unity-criticism and self-criticism-unity" into practice. The comradely relationship in our party is a new type of relationship of unity and mutual help based on communist ideals and characterized by the effort to share a common destiny and go through thick and thin together. Just as Comrade Liu Shaoqi said, communist party members always regard party organizations as a loving mother, and comrades as their brothers, and, therefore, they should "love their comrades and brothers, conduct frank and earnest criticism of the weak points and mistakes of their comrades and brothers (an expression of true love), and never adopt a perfunctory attitude toward or yield to the mistakes of others, still less encourage them.... They adopt all possible means to help their comrades overcome and correct these weak points and mistakes, and never adopt the method of taking advantage of and exaggerating the weak points and mistakes to give 'bad luck' to the comrades who have made mistakes, thus making the mistakes of these comrades develop to an extent beyond correction. Toward their comrades and brothers, they are able to 'return good for evil,' help their comrades mend their ways, and have no attempt of retaliation at all." If we act in line with Comrade Shaoqi's sincere remarks, actively and earnestly conduct criticism and

self-criticism on a regular basis, correct mistakes in a timely manner, and overcome anything backward, our unity will certainly be strengthened, and the life of the party will be increasingly vigorous.

The one "method" is precisely the "Work Method of Party Committees," a noted book of Chairman Mao. This book is not only important in improving the work level of party committees, but is also important in strengthening the unity of party committees. Some basic viewpoints advocated in this book are completely applicable today, and some are still the principle and guidance in strengthening the unity of leading bodies today. These viewpoints include: Party committee secretaries should be good at serving as "team leaders," "problems should be placed on the table," the "understanding, support, and friendship between higher and lower levels and between secretaries and members are more important than everything else," "information should be exchanged," "comrades harboring different opinions from us should be rallied to work together with us," and "efforts should be made to guard against arrogance." I suggest that leading bodies at all levels again study this book of Chairman Mao, and actually follow and carry out the basic viewpoints of this book by regarding them as the basic methods of improving their work expertise and of strengthening unity.

The one "principle" means the principle of "respecting, understanding, and being concerned for others," which has been summarized from the practice of ideological and political work among enterprises over the past few years. This is an important expression of the new-type socialist interpersonal relationship as well as a basic method to build a new-type socialist interpersonal relationship. In my opinion, such a new-type interpersonal relationship should be first manifested within the party and at leading bodies, and such a basic method should be fully applied to strengthen unity of leading bodies. Members of our leading bodies at all levels must respect, understand, and be concerned for one another; should look at one another's good qualities and strong points; and should make up their own shortcomings with other's strong points. Members of our leading bodies should be broad-minded, should give no thought to minor grievances, should be kind and helpful to others, should be concerned with and help others within a fair and reasonable limit, and should guard against helping each other for personal privileges in violation of policies and disciplines.

All in all, the one "system," one "formula," one "method," and one "principle" should all be carried out earnestly; should be coordinated with one another, and should promote one another so as to exploit their "overall efficiency." Of course, to actually achieve success in this regard, the key lies in the strong sense of responsibility for safeguarding unity.

Northeast Region

Liaoning CPC Congress Elects New Committee

SK0808004190 Shenyang Liaoning Provincial Service
in Mandarin 0930 GMT 6 Aug 90

[Text] The 7th Liaoning Provincial CPC Congress held its second plenary meeting today. Executive chairmen of today's meeting were Quan Shuren, Sun Qi, Liu Dongfan, Gao Zi, Yu Xiling, Dai Suli, Xu Shaofu, Shen Yue, Song Li, Zhang Guoguang, Cheng Xichang, (Chen Zhenglong), Shao Binren, Xu Shilian, Xu Wencai, Wang Xiangmin, and (Ma Shenglin). Comrade Quan Shuren presided over the meeting. The meeting first endorsed the procedure for the elections of the 7th Liaoning Provincial CPC Congress and the namelist of ballot supervisors, chief ballot supervisor, and deputy chief ballot supervisors. Through secret ballot and the method of voting from a larger number of candidates, the meeting elected the 7th Liaoning Provincial CPC Committee and the Liaoning Provincial CPC Discipline Inspection Commission.

Provincial Party Congress Ends

SK0808064990 Shenyang Liaoning Provincial Service
in Mandarin 0930 GMT 7 Aug 90

[Text] The 7th Liaoning Provincial CPC Congress ceremoniously ended in Shenyang today. Executive chairmen of today's meeting were Quan Shuren, Yue Qifeng, Sun Qi, Wang Julu, Chen Suzhi, Liu Dongfan, Shang Wen, Gao Zi, Zhu Jiazhen, Yu Xiling, Wang Chonglu, Dai Suli, Guo Feng, Li Tao, Song Li, Wang Guangzhong, Xu Shaofu, Hu Yimin, and Shen Yue. Comrade Wang Julu presided over today's meeting. Voting by means of secret ballot, the meeting elected alternate members of the provincial party committee, and members of the provincial Advisory Commission.

The meeting adopted a resolution on the work of the 6th Liaoning Provincial CPC Committee, a resolution on the work report of the Liaoning Provincial Advisory Commission, and a resolution on the work report of the Liaoning Provincial Discipline Inspection Commission.

At the end of the meeting Wang Julu said: The fighting objectives and basic tasks which the congress has put forth for our province for the next five years will surely urge and inspire the broad masses of communist party members and the people of various nationalities throughout the province to work in unity and to advance triumphantly along the socialist road. We are convinced that as long as we rally closely around the party Central Committee with Comrade Jiang Zemin as the nucleus, unswervingly implement the party's basic line, and accelerate the development of the Liaodong peninsula, the great fighting objective of invigorating Liaoning will surely be realized.

The congress ended amid the playing of the majestic Internationale.

Newly-Elected Liaoning Advisory Commission Meets

SK0808065590 Shenyang Liaoning Provincial
Service in Mandarin 0930 GMT 7 Aug 90

[Text] The provincial Advisory Commission which was newly elected by the 7th Liaoning Provincial CPC Congress held its first plenary meeting in Shenyang this afternoon. There were two items on the agenda: The first was to elect the vice chairmen of the provincial Advisory Commission and the second was to implement the guidelines of the 7th provincial party congress and to study the current work and activities of the provincial Advisory Commission. Among the 14 newly-elected members of the provincial Advisory Commission, 12 members attended the meeting. The plenary meeting elected Comrade Ge Xifan as vice chairman of the provincial Advisory Commission.

Comrade Ge Xifan addressed the meeting. On behalf of the newly-elected provincial Advisory Commission, he extended heartfelt thanks and regards to veteran comrades who have just retired from the provincial Advisory Commission. After that, Comrade Ge Xifan offered suggestions for the future activities of the provincial Advisory Commission. He said: In order to cope with the new situation and characteristics of this provincial Advisory Commission, we should change the work methods and procedures for carrying out activities, increase activities for all members, and allow them to fully play their role. We should uphold the principle of acting according to our capability and doing our best, improve investigations and study, extensively carry out social work, and actively publicize the party's principles and policies. In addition, we should strengthen the study of Marxism-Leninism-Mao Zedong Thought, and unceasingly raise our ideological and theoretical levels to meet the needs of the development of the new situation.

All participating comrades agreed with Comrade Ge Xifan and were determined to conscientiously exercise their own duties and responsibilities under the leadership of the provincial party committee, fully play their role as assistants and advisers, and contribute their efforts to winning victory in Liaoning Province's revolutionary and construction cause.

The plenary meeting also invited leading comrades such as Dai Suli, former chairman of the provincial Advisory Commission, and Hu Yimin, former vice chairman of the provincial Advisory Commission, and former members of the provincial Advisory Commission, to attend the meeting. On behalf of the retired veteran comrades of the provincial Advisory Commission, Dai Suli gave a speech in which he pinned his hopes on and encouraged the new provincial Advisory Commission.

Northwest Region

Xinjiang Leaders Help Solve Market Slump Problem

OW0808093390 Urumqi XINJIANG RIBAO in Chinese
6 Jul 90 p 1

[Excerpts] As a result of previous hard work, industrial production in Xinjiang has improved slightly and the

sharp decline of production has been brought under control somewhat, but the situation is still very grave. The market slump, product overstocking, decline in quality and efficiency, and slowness in production upturn has not improved. It will be quite difficult to fulfill this year's production tasks.

In order to enable industrial production to take a turn for the better as soon as possible and fulfill 1990 production quotas, Chairman Tomur Dawamat, Deputy Secretaries Zhang Sixue and Huang Baozhang, and Vice Chairman Hederbai recently led comrades of the relevant commissions, offices, departments, and bureaus of the autonomous region to grass-roots units. By carrying out their routine work in enterprises, they conducted investigation with the aim of helping various trades and enterprises solve problems of production and marketing. This resulted in the solution of some long-standing disputes over trifling matters. With this aim in mind, the Autonomous Regional People's Government has called on leaders of prefectures, cities, and counties to immediately go down to factories and mines to help them solve practical problems so as to ensure the fulfillment of production quotas and plans this year. The people's government has urged all localities to pay attention to solving the following problems:

1. They should thoroughly implement the emergency circular of the Autonomous Regional Party Committee and the Regional People's Government urging solutions to the current problems of the market slump, product overstocking, and a sharp decline in production in the region. [passage omitted]
2. They should provide better leadership over industrial production. [passage omitted]
3. Industrial enterprises must deliver their products to circulation departments according to scheduled time, specified quality, and quantity. [passage omitted]
4. All localities should deepen the "double increase and double economy" campaign and strive to turn deficits into profits and to raise economic efficiency. All production and circulation departments, factories, and mines should promptly deliver taxes to the state so as to ensure that revenue will be collected on schedule.

Article on Equality Among Nationalities Published

OW0708140890 Urumqi XINJIANG RIBAO in Chinese
8 Jun 90 p 4

[Article by Abuduxiukuer Tuerdi (7093 0008 6757 4423 1655 1422 0685 1422 6611; Uyghur Nationality) and Lin Sheng (2651 5116): "How To Understand Equality Among Various Nationalities?"]

[Text] Equality among all nationalities is a basic Marxist principle for settling the nationalities issue. It is one of the basic rights sought by the oppressed nationalities in the course of opposing national oppression, as well as a basic content and characteristics of socialist nationalities relations. Therefore, it is an indispensably important

task for socialist countries to persistently ensure and improve equality among all nationalities in their work for various nationalities.

For a long time, China's scholars studied nationalities theories on the basis of some exposition made by Stalin under special historical circumstances. They describe the difference in the level of economic and cultural development among various nationalities in the socialist society—a difference left over from the old society—as an “actual inequality” among various nationalities in the socialist society, and argued over it for several decades. Over the past several years, someone in Xinjiang said: “Equality among all nationalities is the foundation of national unity. Since ‘actual inequality’ still exists among various nationalities, national unity will lack an ‘actual’ foundation.” Comrade Jiang Zemin pointed out in his speech on the occasion of the 40th anniversary of the founding of the PRC: “Necessary measures should be adopted to continue help and support to the minority areas in developing their economic, educational, cultural, and other undertakings, and prolonged, unremitting efforts must be made to gradually eliminate the gaps that exist to different extents between different nationalities for reasons of history.” Here Comrade Jiang Zemin unequivocally said “gaps,” not “actual inequality.”

However, the influence of the “actual inequality” view is so widespread and profound that a handful of national splittists and the anticommunist, anti-China and antisocialist forces abroad are using such a formulation to attack China's socialist system, and to undermine our new-type socialist nationalities relations of equality, unity, mutual-assistance and fraternity in an attempt to divide our unified, multinational motherland and subvert our socialist system. For this reason, it is essential to have a clear understanding of the difference, left over from the old society, in the level of economic and cultural development among various nationalities, and know why the difference is “gap,” and not “actual inequality.” In order to have a clear understanding of this qualitative difference, we must correctly understand and solve the following several questions:

1. What is equality among various nationalities?

Equality means that all people have the same social status and enjoy the same social rights politically, economically, culturally, and legally. In this sense, equality among all nationalities means that all nationalities, regardless of size, economic situation, strength, and color, have the same social status and enjoy the same social rights politically, legally, economically, and culturally. To sum up, we may say that equality among all nationalities means the same status and rights in social life among all nationalities. It is wrong to add any other contents or conditions to this equality.

Both the slogan of equality among all nationalities and the slogan of equality among all people were put forward by the bourgeoisie to oppose feudal autocracy and

national oppression during the early stage of its revolution. These slogans played a role in mobilizing and organizing revolutionary forces during the bourgeois revolution. However, in the 300 years and more since the bourgeois revolution, these slogans have not been truly carried out, nor has equality been thoroughly achieved among all nationalities. On the contrary, since capitalism entered the stage of imperialism, imperialists, colonialists, racists, and hegemonists, while oppressing, exploiting, and enslaving minority nationalities in their own countries, have been cruelly oppressing, enslaving, plundering, and killing colonial people and people of small nations. Inequality among various nationalities has become commonplace in international relations and in the relations among various nationalities in many countries in the imperialist era.

2. What is the prerequisite to equality among all nationalities?

The bourgeoisie has put forward the slogan of equality among all nationalities. Then, why hasn't it truly achieved equality among all nationalities? In “ON POLAND,” Marx and Engels had pointed out the exact reason: “The existing system of ownership is the cause for the exploitation of some nationalities by other nationalities.” (“Selected Works of Marx and Engels,” Vol 1, p 287)

In his “Answers to Questions by an American Reporter,” Lenin made it even clearer. He said: “Private ownership is the root cause of the exploitation of the majority by the minority, the root cause of poverty among the masses, and the root cause of wars of plunder among various nationalities which only make the capitalists rich.” (“Complete Works of Lenin,” Vol 29, p 474) From these incisive expositions of the revolutionary teachers we understand that the root cause of oppression of a nationality by another nationality and of inequality among nationalities comes from capitalist private ownership. Compared with the feudal system, the capitalist system constitutes, without doubt, a tremendous progress in human society, but it is, in the final analysis, still a private ownership. Capitalism depends on oppression, exploitation, enslavement, and plundering of the people of various nationalities for its establishment and development. Therefore, essential characteristic of the capitalist system is national oppression and inequality among various nationalities. National equality preached by the bourgeoisie is but a trick to cheat the people of various nationalities.

On the contrary, national equality advocated and put into practice by socialist countries led by the proletariat and their political parties is genuine national equality. To achieve genuine national equality, it is necessary to eliminate classes. This is because, as mentioned before, the root cause of inequality among nationalities is private ownership on which the exploiting classes and the exploiting system depend for their establishment and existence. Therefore, “once the exploitation of a man by a man is eliminated, the exploitation of a nationality by

another nationality will consequently die out." "Once class antagonism among nationalities is eliminated, hostilities among nationalities will consequently die out." "With the elimination of class disparity, all social and political inequalities resulting from the disparity will die out of themselves." ("Selected Works of Marx and Engels," Vol 1, p 270; Vol 3, p 18) This amply explains that the prerequisite to, or basis of, national equality is the elimination of the system of private ownership and the establishment of the socialist system of public ownership.

3. Genuine equality has been put into practice among China's nationalities.

To sum up what has been said above, national equality means that various nationalities enjoy equal status and equal rights in their social life; that the root cause of inequality among various nationalities is the existence of the system of private ownership; and that the prerequisite to national equality can only be the socialist system of public ownership. If we judge the present-day relationships among China's various nationalities by this criterion, we can say affirmatively that China's fraternal nationalities, big or small, are all equal. They are also united, help one another, and love one another.

The socialist transformation of the private ownership of the means of production following the founding of the People's Republic of China eliminated the private ownership of the means of production as well as the exploiting classes and established a socialist economic system with public ownership of the means of production playing the dominant role, thus removing the root cause that gives rise to and allows the existence of inequality among nationalities and laying the foundation for establishing and putting into practice equality among all nationalities. At the same time, since the founding of New China, the party and the state, focusing on the central task of national equality, national unity, and common prosperity among all nationalities, have formulated and implemented a series of Marxist nationality policies, particularly the policy of regional national autonomy, to fully ensure that all nationalities of China, especially the minority nationalities, enjoy equal status and rights in the political, economic, cultural, and legal life of the country, and to ensure that the people of all nationalities are equal masters of the state.

Judging from the political aspect, China's various fraternal nationalities are equal in political status and rights. The people's congresses represent a political system in China, a form of organization of the people's democratic dictatorship, and an organ where the people exercise their state power. All the 55 minority nationalities of China have their own deputies. In the people's congresses at different levels, they join deputies of the major nationality of China in deciding on major policies of the state and in administering state affairs. For example, the seventh National People's Congress has 2,970 deputies serving in it, of whom 445 are of minority nationalities, accounting for 15 percent of the total

number of deputies. However, the population of minority nationalities accounts for only 8 percent of the total population of China. There are 19 vice chairmen of the Standing Committee of the current National People's Congress, of whom six are of minority nationalities, accounting for 31 percent or more of the total number.

Moreover, Xinjiang is represented by 59 deputies at the NPC of this term. In terms of population proportion, this figure is larger than the number of NPC deputies from regions inhabited mainly by people of Han nationality. Of these 59 deputies, 39—or more than 66 percent—are deputies of minority nationalities. Although the populations of certain minority nationalities in Xinjiang and other parts of the country are particularly small, and by regulations they should be considered too small to be represented at the NPC, each one of them is nonetheless represented by one deputy. While this is the case in central departments, it is also the case, only much more so, in local departments. In local people's congresses and their standing committees, the number of minority deputies is invariably proportionally larger than the size of the local populations they represent.

In areas where minority people live in compact communities, people of all minority nationalities have been able to enjoy national autonomy and rights, and to establish their autonomous organs to administer local and nationality affairs in accordance with the policies of the party and the state on autonomy in minority areas. Today China has a total of 159 minority autonomous areas, including five autonomous regions, 30 autonomous prefectures, and 124 autonomous counties and banners; and 78 percent of China's national minorities living in 64 percent of the nation's total areas are enjoying regional autonomy. On such sizable areas, chairmen of the people's congress standing committees of all autonomous organs and chairmen, prefectural commissioners, and magistrates are members of minority nationalities enjoying regional autonomy, and a relatively large number of heads, deputy heads, and administrative personnel of various autonomous organs are also of minority nationalities. This has effectively ensured the autonomous rights of people enjoying regional autonomy.

Economically the statuses and rights are equal among people of all fraternal nationalities in China. Equality of economic status means that people of all nationalities are the owners of the socialist public property as well as owners of the collective property of the areas where they live. Equality of economic rights means that all regions and autonomous regions—no matter which nationality is dominant there—have equal rights to carry out their economic construction in accordance with state plans and their own subjective and objective conditions, that people of all nationalities have the rights to take part in productive labor and enjoy the shares they are entitled to under the socialist distribution system, and so forth. In his report "Several Issues Concerning China's Nationality Policy," Comrade Zhou Enlai said: "Our socialist state wants modernization be achieved in all regions of

fraternal nationalities and all regions enjoying regional autonomy. The modernization drive must be carried out in all parts of China. This spirit is the spirit of achieving genuine equality and fraternity in our community of people of all nationalities. We cannot permit the underdeveloped areas to remain underdeveloped forever. If we do, that would be inequality and a mistake." The key issue here is to respect and protect the master status of the people in minority and underdeveloped areas, and their rights to developing their production and construction.

Since the founding of New China, the party and the state have educated people throughout the country, especially those of Han nationality, to respect and guarantee the equal status and rights of minority nationalities in economic development. At the same time, the party and the state have formulated or adopted a series of special policies and measures in manpower, material, and financial resources, as well as in technical and other fields to ensure the exercise of equal rights in economic development. As a result, the economic backwardness of areas inhabited by minority nationalities has been changed. For example, Xinjiang Region had no modern industry to speak of when it was liberated. Now it has built an industrial system with fairly complete branches and a certain level of production capability and technology. Its total industrial output value in 1988 was 117.51 times that in 1949. Xinjiang's traditional economic structure has been radically changed. In the same period, the region's total agricultural output value went up by 10.9 times; per capita agricultural output value ranked fourth in the country; and per capita output of grain, cotton, oil-bearing, and sugar crops ranked seventh, first, first, and 10th, respectively. Per capita income in the region was 1,175.80 yuan last year, ranking 15th among the country's provinces, municipalities, and autonomous regions. It was higher than that in Shaanxi, Hubei, Anhui, Henan, and other fairly developed provinces inhabited mainly by people of Han nationality. Likewise, other regions inhabited by minority nationalities have also made tremendous developments. For example, per capita income in Guangxi and Yunnan last year ranked eighth and 14th in the country. This fully shows that only when minority nationalities have acquired equal social status and equal social rights will they be able to have an opportunity to undertake economic construction in their regions.

Culturally, people of various nationalities, especially those of minority nationalities, can develop various cultural, educational, and other undertakings only after they become masters of the society and enjoy equal rights for receiving education, participating in cultural activities, and engaging in scientific research and literary and artistic creation. Take the development of education and literary periodicals in Xinjiang for example. Education has vigorously developed in the region in accordance with the party's nationality policy characterized by national equality and unity and the common prosperity of all nationalities and on the basis of implementation of this policy. The number of regular middle

schools in Xinjiang increased from nine in 1949 to 2,054 in 1988, and their total enrollment from 2,925 to 994,000; the region had only one institution of higher learning in 1949, it had 20 in 1988, and their total enrollment increased from 379 in 1949 to more than 30,000 in 1988; students of minority nationalities attending schools of various types and at various levels totaled 16,100 [as published], accounting for 55.44 percent of the total. The proportion of students attending various types of schools to the region's population also ranks high among the country's provinces, municipalities, and autonomous regions. In the 1950's there was only one literary periodical "TARIM" published in Uygur, but now 15 are published in that language. These number more than 20 literary periodicals when those published in Kazak, Mongolian, and Kirgiz languages are counted. If literary periodicals published in Chinese are counted in, they total more than 30.

The above political, economic, and cultural facts are obvious to the people of all nationalities, especially to those of minority nationalities, because they have witnessed these facts. These facts eloquently prove that in actual social life, the social status and rights of all nationalities in our country are the same and that all nationalities, big or small, are equal. It is completely wrong to describe as actually unequal the economic and cultural gaps between various nationalities that are left over by history.

4. What is wrong with the theory of "actual inequality?"

This theory is wrong because it mixes up "nationality equality" with "differences" in economic and educational development. These are two different issues of different categories. Inequality among people of various nationalities has been eliminated and equality among them has been achieved after private ownership was replaced by socialist ownership and after correct nationality policies were drawn up and carried out. This is the actual state of relations among the people of various nationalities in our country. But even under such circumstances the differences in the economic and educational level and the level of development among the people of different nationalities can only be narrowed; the differences can never be totally eliminated. As long as there are people of various nationalities, this situation will always exist among them and within each of them, and even among provinces and among regions. Engels commented on this issue very clearly in his letter to August Bebel in March 1875. He also cited this example: "The living conditions of residents in the Alps and on the plains are always different," and the differences "will never be eliminated." ("Selected Works of Marx and Engels," Vol 34, p 124) That is because, under normal circumstances, the "differences" in economic and educational development among people of different nationalities and within each and every one of them reflect the necessities of economic and educational development determined by subjective and objective conditions of people of various nationalities and in various regions. However, this does not mean that the underdeveloped

nationalities and regions will always remain underdeveloped, but that, following the changes in subjective and objective conditions, the "differences" can be changed, the underdeveloped can become developed, and the developed can become underdeveloped, showing the new "differences" at a higher level during the course of codevelopment. For example, the educational development of people of Korean nationality in China was not as developed as of their Han counterpart, but their educational development is now ahead of the Han people. This is a new difference emerging during the course of transformation. If such a difference is regarded as "actual inequality," would it not be likely then that this "actual inequality" will go on forever among nationalities and among regions even when our society becomes a communist society? Thus, regarding the differences in economic and educational development as "actual inequality" is untenable.

Do the differences in economic and educational development among people of various nationalities have anything to do with nationality equality? We think the differences in economic and educational development generated in a class society have a direct link with nationality inequality, but they are not the only cause. The reason why these differences have a direct link with nationality inequality is because, in a class society, the social statuses and social rights are not the same between the oppressed people and the ruling class. When the oppressed people are deprived of their rights and opportunities to develop their economy and education, they cannot take the initiative in their own hands to develop their economy and education, thus causing the development differences. Such differences are the results of national inequality, not national inequality itself. This also shows that people who regard the differences in economic and educational development as "actual inequality" have regarded the results as the cause and have also confounded the essence with the phenomena of things.

Under the socialist system, people of all large and small nationalities in China are equal. This has minimized the differences in the economic and educational development among people of all nationalities and among regions so that regions of all nationalities, especially regions inhabited by people of minority nationalities, can proceed with their economic and educational development. This has also provided a reliable basis and guarantee for the less developed nationalities and regions to overtake their developed counterparts. This being the case, the claim that there is "actual inequality" is both factually and theoretically wrong and groundless, and it has very harmful social effects.

5. The cause of the debate on "actual inequality."

It was Stalin who described the difference in the level of economic and cultural development among various

nationalities as "actual inequality." We looked up Stalin's "On Nationalities Issues" which dealt with nationalities issues between 1917 and 1934, and found that he mentioned "actual inequality" seven times in such reports and articles as "the 10th Russian Communist Party (Bolshevik) Congress," "On Formulation of Nationalities Issues," "Nationalities Issues in the Course of Party and State Construction," and "the 12th Russian Communist Party (Bolshevik) Congress." He mentioned it only in the period from 1917 to 1923. Moreover, Stalin's rendition of this issue was not consistent. He sometimes rendered it as "actual inequality"; while at other times, he described it as "actual backwardness" among certain nationalities. Sometimes he said that the "actual" inequality or backwardness was manifested in economy and culture; but at other times, he said that it was also shown in politics.

The "actual inequality" and "actual backwardness" among certain nationalities, as described by Stalin, were manifested in politics, economy, and culture only under special historical conditions. During the period between the victory of the October Revolution and 1923, the Soviet Union encountered several imperialist joint interventions; while at home, the landlord class staged armed rebellions, rich peasants were resisting and rioting against the new regime, and feeding the people was a big problem. Under that grim situation, the Soviet regime could cope with only the war problem and the problem of feeding the people, and could not deal with nationalities issues at home. Therefore, Stalin said in "12th Russian Communist Party (Bolshevik) Congress": "We have announced legal equality and are carrying it out, ... but after all, it is still far from actual equality." In our view, "actual inequality" and "actual backwardness" among certain nationalities reflected the relations among Soviet nationalities and the political, economic, and cultural realities of certain Soviet nationalities then. The conditions of the Soviet Union then were completely different from China's present conditions. As we have already discussed, China completed socialist transformation of the private ownership of the means of production; wiped out exploiting classes; set up a socialist public ownership; and established a new socialist relationship of equality, unity, and mutual-assistance among all nationalities in 1956. Stalin stopped using the word "actual inequality" after 1923, because of changes in the relations among various nationalities in the Soviet Union.

To sum up, it is theoretically unfounded to describe the difference in the level of economic and cultural development among various nationalities as "actual inequality." It is evidently wrong and dogmatic to arbitrarily apply certain conclusions reached by Stalin on the relations among Soviet nationalities in the early stage after the victory of the October Revolution in describing the relations among China's nationalities, particularly the relations among our nationalities after 40 years of socialist revolution and construction.

New Regulations Formed To Seek Taiwan Investment

*OW0808042190 Beijing XINHUA in English
0114 GMT 8 Aug 90*

[Text] Xian, August 8 (XINHUA)—The Shaanxi provincial government has drawn up regulations to lure investment from Taiwan to this remote northwest China Province.

The provincial government encourages Taiwan businessmen to invest in technology and equipment, and set up wholly-owned or co-operative operations.

Taiwan investors are urged to invest in agriculture, coal development, the power industry, highway and railway construction and high-tech projects.

According to the regulations, Taiwan businesses are allowed to purchase all the property rights of collective or small state-owned enterprises and contract development of large tracts of land.

Those who invest in production enterprises will be exempted from income tax for three years from the first year profits are made.

The regulations also stipulate that Taiwan investors will be exempted from taxes when they remit abroad the profits they make from joint ventures.

Shaanxi Province and Xian City recently published a list of 137 projects for which they seek overseas co-operation in the machinery, textile, electronics, light, petrochemical, building materials and food-processing industries.

Commentary Critical of Continuing Taiwan Barriers

*OW0708085290 Shanghai Voice of Pujiang
in Mandarin to Taiwan 0900 GMT 5 Aug 90*

[Station commentary: "Remove Man-Made Barriers to Facilitate Exchanges Across the Strait"]

[Text] Xu Wensi, world renowned expert in antibiotics and former president of the Shanghai Academy of Medical Sciences on the mainland, was invited to visit Taiwan as an outstanding personage of the mainland. Unexpectedly, he was barred at the Taipei Airport and asked to sign a declaration printed with the word confession. Mr. Xu strongly argued against signing it and decided to return to the mainland. However, this has caused great repercussions in the media in Taiwan and the mainland.

Xu Wensi hails from Gaoxiong [Kaohsiung] County in Taiwan. His visit to Taiwan in response to an invitation was purely for academic exchanges with a view to promoting the exchange of technological experiences for reference in manufacturing pharmaceutical products. At the same time, he could reunite with his relatives, from whom he had been separated for 48 years. He had already set foot on his native land, but he could not enter the house although he was at the front door. He could not carry out academic exchanges with the people of the

same profession, nor could he be reunited with his own relatives. This was caused solely by man-made barriers erected by Taiwan authorities.

Since Taiwan authorities began permitting people to visit their relatives on the mainland, 1.5 million people from Taiwan have returned to the mainland to visit their relatives or for tourism. Shanghai alone has received more than 450,000 visitors. Some went to the mainland to visit relatives, some for business, some for tourism, and some for academic exchanges. The departments concerned on the mainland have provided them with all kinds of conveniences based on the principle of coming and returning freely and warmly receiving them without ever asking them to which party they belong or requesting that they comply with any specific formalities. Xu Wensi himself had received quite a large number of Taiwan guests and treated them with kindred feelings without exception.

In contrast, Taiwan authorities have imposed various kinds of unreasonable restrictions and created numerous obstacles, thus making it impossible for many people to make the trip. By merely comparing the figures of 1.5 million Taiwan people visiting the mainland against only 5,000 mainlanders visiting Taiwan, it is not difficult for us to understand where the obstacles to the present exchanges originate.

It is noticeable from various situations that, up to the present, Taiwan authorities still hold a hostile attitude toward their mainland compatriots, penalizing and discriminating against them in every possible way. This kind of behavior stands in sharp contrast with that of the mainland.

Recently, the Taiwan authorities make a great show of their earnestness by announcing that, starting from August, news media personnel may apply for visits to Taiwan. But they have left unanswered the question of restricting reporters who are members of the Communist Party from entering Taiwan. Is this then just another bit of empty talk?

We hope that the Taiwan authorities will carry out a thorough self-examination concerning the incident of Xu Wensi as well as a number of related matters and remove the man-made barriers as soon as possible so that the various exchanges across the strait can get on track.

Commentary on Taiwan's 'Fear of Communism'

*HK0808070390 Hong Kong WEN WEI PO in Chinese
7 Aug 90 p 4*

[Commentary by Li Lun (2621 0243): "Taiwan Island's Security and 'Fear of Communism'"]

[Text] The Taiwan authorities feel the imbalance of strength between them and Mainland China keenly, and suffer a grave "fear of communism," because in dealing with relations between the two sides, they attach great importance to so-called "Taiwan security." At Taiwan's

"State Affairs Conference," some people placed this above everything else, saying that relations between the two sides must be preconditioned by maintaining "Taiwan's security," which gave the impression that this is above the unification of Taiwan and Mainland China. To guarantee the surefire security of the "base of rejuvenation," which "is sure of safety in retreat, and capable of launching an offensive," the Taiwan authorities have proposed contradictory and impractical measures such as "the separation of politics and the economy," to counter the CPC's "invasion of Taiwan by force" with economic strength; and "spreading Taiwan's experiences to Mainland China" in dealing with the irresistible trend of Taiwan businessmen visiting and investing in the mainland.

Can the Economy Counter "Invasion of Taiwan by Force"

Taiwan authorities harbor two purposes in proposing the separation of politics and the economy: First, to avoid contradiction with the "Three-nos" policy, to avoid the incongruity of lifting the ban on economic exchanges between the two sides and the "Three-nos" policy in wording. And second, they aim to send a signal to Beijing to advise the other side to refrain from carrying out United Front work by utilizing economic exchanges. Taiwan's "Executive Yuan President" Hau Pei-tsun has warned Taiwan businessmen not to be taken in by the CPC's "united front tricks."

In reality, the so-called separation of politics and the economy is only a pretext. On several occasions, Li Teng-hui has openly stressed the need to achieve political goals through economic exchanges. Aside from the author's previous article which dealt with Taiwan's attempt to exchange economic ties with Beijing for space in the international arena, there are two additional points, one is to counter the CPC's "invasion of Taiwan by force" with economic ties; and the other is to spread "Taiwan's experiences" with such ties.

The CPC Cannot Give Up Its Last Resort

The Taiwan authorities expect that their businessmen will rely on their economic strength to ask the CPC to give up its "invasion of Taiwan by force." To take advantage of their visiting Mainland China, Li Teng-hui suggested businessmen ask the CPC's top echelon to refrain from gathering troops in Fujian. It was learned that almost all Taiwan businessmen who had a chance to meet the CPC top echelon personalities invariably "advise" them to give up "invasion of Taiwan by force." Li Ruihuan, the CPC Central Committee Political Bureau Standing Committee member was rather "sad" when he talked about this phenomenon. Why should he be "sad"? Because the CPC's real goal is peaceful reunification. The realization of peaceful reunification is guaranteed only by keeping the last resort. Taiwan businessmen failed to see that the CPC has really given much thought to the matter, and instead, believe that the

CPC is attempting to realize reunification by force. How could the CPC leaders refrain from being sad?

The CPC has always attached importance to national integrity, and its stand for safeguarding the unification of the motherland is universally acknowledged. According to its explanation of the mutual relations between peaceful reunification and keeping the last resort, it is a matter of course that the CPC will never make a commitment on giving up the use of force on the reunification issue. It was precisely because of this, that when Chang Ping-chao, who headed the delegation consisting of 702 Taiwanese entrepreneurs to Beijing, mentioned this issue to Premier Li Peng, promptly and explicitly the latter stressed: "We pin our hopes on peaceful reunification with Taiwan, but should the development of the state of affairs prove that reunification with the mainland is out of the question, that, I believe, would run counter to the wish for reunification of sons of the Chinese nation, and under such circumstances, we shall not give up the last resort."

"Economic Intrusion Into Taiwan" and "Present-day Shi Lang"

To guarantee the security of the "base of rejuvenation," the Taiwan authorities use defense as a means of attack, and attempt to spread "Taiwan's experiences" into the mainland through economic ties on the strength of its great confidence in "Taiwan's experiences." The reality is that there has been little effect on spreading "Taiwan's experiences," while Taiwan businessmen have been eager to go to the mainland. Based on Mainland China's statistics, indirect trade volume developed to approximately \$3.5 billion in 1989 from the \$47 million in 1978, and it is estimated that it will break through \$4 billion this year. Investment projects by Taiwan businessman in Mainland China reached 1,000, with the negotiated volume of investments exceeding \$1 billion. It was said that when the troops of the Qing Dynasty launched an offensive at Zhen Chenggong stationed in Taiwan, the campaign turned out to be a success only when General Shi Lang resorted to collaborating from within with foreign forces from without. Some newspapers have already pointed out that snobbish merchants may be the present-day "Shi Lang" that endanger "Taiwan's security."

The Taiwan authorities originally planned to counter "the conquer of Taiwan by force" with economic ties, ironically, it has turned out to that they fear Mainland China's "economic intrusion into Taiwan." Regarding the Taiwan authorities, who are always in a state of extreme nervousness, it is not surprising that they are attempting to cool off their businessmen's craze for making investments in Mainland China.

Taiwan Scholars at Trademark Registration Seminar

OW0708130290 Beijing XINHUA in English
1216 GMT 7 Aug 90

[Text] Beijing, August 7 (XINHUA)—A total of 989 Taiwan trademarks have been registered on the Chinese mainland since 1988, according to a seminar that began here today.

The mainland has received some 2,800 applications for trademark registration from Taiwan since then, said Li Jizhong, deputy council director of the China Industrial Property Organization, at the two-day seminar.

Li said that the Trademark Bureau of the State Administration for Industry and Commerce announced in 1985 that Taiwan businessmen are welcome to apply for trademark registration on the Chinese mainland. In February 1989 the Trademark Bureau decided to set up an agency in Hong Kong to handle trademark registration applications from Taiwan compatriots.

More than 60 experts and scholars from the mainland and Taiwan are attending the seminar, which is sponsored by the National Trademark Commission of the China Industrial Property Organization.

Government 'Very Concerned' About Iraqi Invasion

OW0708172590 Taipei CNA in English 1513 GMT
7 Aug 90

[Text] Taipei, Aug. 7 (CNA)—Foreign Ministry spokesman Huang Hsin-pi said Tuesday that the Republic of China Government is very concerned about the current invasion of Kuwait by Iraq.

The Republic of China has always supported the principle that international conflicts should be solved by peaceful means, Huang said. "We hope the Iraqi-Kuwaiti conflict would be solved as soon as possible in a reasonable and peaceful way," he added.

Huang made the remarks when asked by the press to comment on the United Nations Security Council's resolution adopted Tuesday to impose severe sanctions against Iraq for its invasion of Kuwait.

Ways To Pay Kuwait for Crude Oil Studied

OW0808062590 Taipei International Service
in English 0200 GMT 7 Aug 90

[Text] Since the situation in Kuwait still remains unclear, the Chinese Petroleum Corporation [CPC] is carefully studying how to make an oil payment of 280 million new Taiwan dollars to the Kuwaiti Government.

The state-run CPC stated that according to regulations in the oil agreement between the two countries, the ROC [Republic of China] was to pay the money by a bank transfer before the 24th of this month. However, since all foreign telecommunication links with Kuwait have been broken, the situation remains unclear as how the ROC is to remit the funds.

However, the CPC stressed that it will in principle watch how other oil-purchasing nations pay out funds and then decided what to do. The CPC also said that if it is unable to pay the funds because of a war, it will not be fined for remitting the funds at a later date.

Li Peng's Visit to Indonesia Discussed

OW0808063090 Taipei Domestic Service in Mandarin
2300 GMT 6 Aug 90

[Text] Chinese communist premier Li Peng and his mammoth delegation, which includes Chien Chi-chen [Qian Qichen], minister of foreign affairs; and Cheng Tuo-pin [Zheng Tuobin], arrived in Jakarta's Halim Air Force Base by special plane yesterday.

Shortly afterward, he paid a courtesy call to Indonesian President Suharto and Vice President Sudharmono at the Merdeka Palace.

He also received a 19-gun salute from the Indonesian Government.

Li Peng and Suharto are scheduled to have formal talks on 7 August. A memorandum on resumption of diplomatic ties will be signed on 8 August.

The Indonesian authorities have been rather serious in approaching the matter of resuming diplomatic ties with the Chinese communists, but the response from government and nongovernment departments as well as from the media has been very complex. By and large they endorse the resumption of ties.

Many people, however, have the apprehensions that the Chinese communists cannot be shaken off.

Although Indonesia will soon declare establishment of diplomatic ties with the Chinese communists, the Indonesian Government has taken many friendly steps to show Taiwan that it is willing to strengthen and maintain the substantive relations with our country [wo guo].

The Indonesian Government has officially notified our country's office in Indonesia, indicating Indonesia's concurrence for the establishment of Chinese schools in Indonesia by Taiwan businessmen. It has also permitted the entrance of Chinese language newspapers and magazines into Indonesia on certain conditions. This is a rather friendly gesture on the part of the Indonesian Government which has been quite biased against Chinese.

Mainland, Taiwan To Tighten Policy on Contacts

OW0708141590 Taipei Domestic Service in Mandarin
2300 GMT 5 Aug 90

[Text] The Chinese Communist authorities are taking seriously the recent announcement by our government on cooling down the mainland fever, says a LIEN HO PAO report. High-level mainland leaders decided the other day to respond to the announcement by taking corresponding measures to tighten up their policy toward Taiwan after the Asian Games, including a reexamination of the procedure of issuing the Taiwan Compatriot Certificates.

It is learned that Chinese Communists will adopt a policy of separating politics from economics in response to our government's lifting of restrictions on visiting relatives in the mainland by civilian government employees at the [word indistinct] level or lower and functionaries of the ruling party. After weighing the merits and demerits, the Chinese Communist authorities will probably opt for strict examination of applications.

Ma Ying-chiu, executive secretary of the Mainland Work Task Force of the Executive Yuan, indicated that to this day the Chinese communists have not responded positively to the lifting of restrictions by Taiwan with regard to mainland. Therefore, a review of this policy is in order. He emphasized, however, that this does not constitute a tightening up because the restrictions that have already been lifted will not be reimposed. What the government wants is to integrate politics and economics in its mainland policy and seize the initiative.

Official on Taiwan-Mainland Intermediary Agency*OW0708135790 Taipei Domestic Service in Mandarin
2300 GMT 5 Aug 90*

[Text] Speaking about the establishment of an across-the-strait intermediary organization, Shih Chih-yang, organizer of the Mainland Work Task Force of the Executive Yuan, said that the authorities will take into consideration the role and functions of the organization in selecting and appointing personnel, enacting legislation to provide it with a legal foundation, and finding a suitable site for it. At present, the policymaking departments are working on these issues.

He said: The head of the intermediary organization should be one who is versed in affairs and relationships across the strait, capable of efficiently handling all sorts of problems arising from exchanges between the two sides, and will implement the government policy and safeguard our nationals' interests in the mainland.

Shih Chih-yang said: In spite of numerous speculations in all circles, when and where the intermediary organization will be set up has not yet been decided. He said he is confident that the government will proceed in the matter step by step and establish the organization at an early date to meet the needs.

He pointed out: The draft Law Governing Contacts Between the People in Taiwan and Mainland is under revision at the Ministry of Justice. The Executive Yuan hopes that it will be enacted during the next session of the Legislative Yuan so that the intermediary organization will be set up in accordance with the law.

Mainland Reporters Required To Sign Declaration*OW0708134690 Taipei Domestic Service in Mandarin
2300 GMT 5 Aug 90*

[Text] (Wu Chung-li), head of the Domestic Section of the Government Information Office, has pointed out: After the government lifted its ban on mainland reporters, due to financial capacity of mainland reporters, the requirement that they sign a letter of confession and declaration, and other factors, mainland reporters are taking a wait-and-see attitude. So far, no application has been received.

He said: The government's demand that reporters and other people from the mainland declare their disassociation from communist organizations is required by law. Moreover, it will protect the mainlanders' rights and interests by shielding them from being accused and charged with criminal responsibility after they enter Taiwan.

Government To Improve Safety Measures For Deportees*OW0708113790 Taipei CNA in English 0240 GMT
7 Aug 90*

[Text] Taipei, Aug. 7 (CNA)—The Republic of China Government would [as received] pay more attention to the

safety of mainland Chinese illegally entering Taiwan when deporting them, a government spokesman said Monday.

Shaw Yu-ming, director-general of the Government Information Office, made the statement in response to reports that 25 mainlanders had suffocated when they were deported back to the mainland on board a fishing boat late last month.

"We want to prevent such a tragic event from occurring again," Shaw said.

But the government spokesman rejected the Chinese Communist accusation that Taipei's mishandling of the affair was to blame for the tragedy. Shaw stressed that the event must have been caused by other reasons pending further investigation.

Chinese Communist newspapers had reported that the 25 had been suffocated because they were confined in holds on the fishing boat with the hatches nailed down by six-inch nails.

Shaw rebuffed the reports, saying it was "unthinkable" that the Republic of China Government would do such a thing to the mainlanders. He stressed that the government had always treated the mainlanders in a humanitarian manner although it was forced to send them back to the other side of the Taiwan Straits.

The security authorities have arrested and deported several thousand mainlanders, including smugglers and stowaways, in recent years, Shaw said. But more were believed to have slipped into Taiwan and posed a potential threat to social order.

The Taiwan Garrison Command, which was responsible for the deportation, held a meeting Monday to discuss the event and review the process of deportation. The command said it would consider opening the process to mass media coverage in order to prevent misunderstandings.

Executive Yuan Appoints New Police Director*OW0708140590 Taipei International Service
in English 0200 GMT 6 Aug 90*

[Text] The Executive Yuan announced the replacement of Director General of the National Police Administration [NPA] Lo Chang by Director of the Criminal Police Bureau (Chuang Heng-tai) on Saturday. Chuang is a 62-year-old native of Fukkien Province. He is the first policeman to head the National Police Administration. Lo is a three-star general and served as NPA director for seven years. Chuang will take up his new position on Monday.

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